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**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# All Printers by Sales Volume
# +
# Management Guide to Using the PIA Ratio Studies

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CERTIFIED PUBLIC ACCOUNTANTS

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Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA's Financial Ratio Studies. This year, a total of 944 firms representing various segments of the graphic arts industry in the United States and Canada participated in these studies by responding to PIA's questionnaire on financial performance. Among these respondents, 238 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book, the first in a series of ten, presents the financial status of graphic arts firms according to sales volume. Ratios and statistics from responding firms are presented in six categories: sales to $250,000, sales from $250,000 to $500,000, sales from $500,000 to $1,500,000, sales from $1,500,000 to $5,000,000, sales from $5,000,000 to $10,000,000, and sales over $10,000,000. Readers can compare the data from their own firm's financial statements with similar data from other firms having the same sales volume in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment. This data is accompanied by up-to-date articles on the significance of these financial areas within the graphic arts industry.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

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1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume.*

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| | | | % of Sales | |
|---|---|---|---|---|
| **Firm** | **Sales** | **Factory Payroll** | **Firm's Ratio Factory Payroll** | **PIA Ratio Factory Payroll** |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = 20.7% | |

# Management Guide to Using the PIA Ratio Studies

Harris R. Margolis, CPA

### Guide to Higher Profits

PIA's annual Ratio Studies are your guide to higher profits. With them, you can compare your company's financial operations with the financial operations of companies of similar sales volume and determine your standing in the graphic arts community. But, more than that, you can use the hints provided throughout this series to increase your firm's profits. That's the real purpose of these Ratio Studies.

To illustrate how to use these studies in achieving higher profits, we have made up a hypothetical printing company and named it the ABC Company. Below are ABC's Statement of Operations and Balance Sheet. For purposes of this example, we will assume that the ABC Company has an annual sales figure of $2 million.

### Ratios Convert Dollars to Percentages

First of all, note that the ABC Company's financial statements are presented both in dollars and percentages. Dollar figures are always meaningful because printing firms, like all other firms, deal with dollars. Also, financial statements are presented in dollars. The reason for converting dollars to percentages — on total sales, value added, or total assets — is to enable you to compare your financial statements with the PIA Ratio Studies.

In accounting terminology, these percentile statements are called "common size" statements. They permit us to deal, not in dollar amounts, which are different for each firm, but in "common size" statements — each with a base of 100 percent for every firm. In this way, it is easy for you to compare your financial statements, other ratios, and significant facts with the PIA Ratios Standards.

### Using the Ratios

The following is a step-by-step procedure for using the PIA Ratios:

1. Prepare your Statement of Operations and Balance Sheet in dollars and in percentages, as in our example.
2. Compare your percentages in every case with the PIA High Profit Standard in your sales category. These latter figures appear on pages 14 and 24 of this study.
3. Then compare your percentages with the percentages of Profit Leaders in the following areas:
    - Value Added produced by sales
    - Cost of factory labor to produce Value Added
    - Assets committed per employee and, specifically, per factory employee, and gross plant investment per factory employee
    - Percentage breakdown of employees among factory, administrative and sales
    - Sales produced per employee, and sales and Value Added produced per factory employee
    - Sales per salesman
    - Payroll per employee and as a percentage of sales
    - Collection period of receivables
    - Evaluation of the firm's profitability
    - The firm's return on investment.

On the following pages, we will analyze our hypothetical firm's operations as if they were real to us. While some of our conclusions are absolute, others reflect opinions with which you may disagree. The purpose of the Ratio Studies is to provide clues rather than answers. But, if you can use these clues, the probability is high that you can also find solutions to your own specific problems.

| STATEMENTS OF OPERATIONS | ABC COMPANY | | PIA HIGH PROFIT STANDARDS ($1,500,000-$5,000,000) | DIFFERENCE MORE (LESS) |
|---|---|---|---|---|
| | DOLLARS | % OF SALES | | |
| SALES OR VALUE OF PRODUCT PRODUCED | $2,000,000 | 100.00% | 100.00% | — |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 459,400 | 22.97 | 21.95 | 1.02% |
| Other chargeable materials | 107,800 | 5.39 | 4.77 | 0.62 |
| Outside services | 170,400 | 8.52 | 8.44 | 0.08 |
| TOTAL MATERIAL | 737,600 | 36.88 | 35.16 | 1.72 |
| FACTORY PAYROLL | 540,000 | 27.00 | 23.85 | 3.15 |
| FACTORY EXPENSES | 235,600 | 11.78 | 11.04 | 0.74 |
| TOTAL FACTORY COST OF PRODUCT | 1,513,200 | 75.66 | 70.05 | 5.61 |
| GROSS PROFIT | 486,800 | 24.34 | 29.95 | (5.61) |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 193,200 | 9.66 | 9.66 | 0.00 |
| Selling expenses | 172,400 | 8.62 | 7.66 | 0.96 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 365,600 | 18.28 | 17.32 | 0.96 |
| INCOME BEFORE INTEREST EXPENSE | 121,200 | 6.06 | 12.63 | (6.57) |
| Interest expense | 43,000 | 2.15 | 1.22 | 0.93 |
| OPERATING INCOME | 78,200 | 3.91 | 11.41 | (7.50) |
| Other income | 15,200 | 0.76 | 1.06 | (0.30) |
| INCOME BEFORE INCOME TAXES | 93,400 | 4.67 | 12.47 | (7.80) |

## Analysis of ABC Company Operations

In the following analysis of the ABC Company, we have converted ABC's dollar figures into a percentage of sales. The PIA High Profit Standards for the Statement of Operations and Supporting Schedules are based on ABC's sales volume, and appear on pages 14, 15, 16, and 17 of this study. We have also used the Significant Facts on pages 20 and 21 to further interpret ABC's operations.

**Materials Cost.** The figures tell us that the ABC Company is using more paper than is shown in the PIA High Profit Standard.

| | ABC | PIA Standard |
|---|---|---|
| Paper | 22.97% | 21.95% |

ABC Company is using 1.02 percent more paper. As we will note, and discuss in greater detail below, ABC Company is also using more labor than the industry standard — 27.00 percent vs 23.85 percent, or 3.15 percent more. We could justify the higher paper cost if the company had a correspondingly *lower* labor cost, but this is not the case. Therefore, we conclude that the company's paper cost is high. Why might this be so? Let's consider the following:

*Pricing* — The company's selling price may be too low, producing a higher relative paper cost.

*Product mix* — The company may have a different product mix, in which case the problem would not be in materials but elsewhere.

*Higher materials cost* — It is possible, but not likely, that the company is paying an excessive amount for materials.

*Poor materials costing* — All material costs may not be reflected on cost sheets and, therefore, in the company's selling price.

*Spoilage/waste* — The company may be inadequately costing and pricing for spoilage, and/or have a spoilage/waste proportion which is higher than it should be.

**Factory Labor.** ABC Company's factory labor cost is 3.15 percent more than the corresponding PIA High Profit Standard. We can assume that this is a problem because there are no compensating amounts in the statement. What are the probable causes of this excess cost?

*Is the company paying more for factory labor?* Yes. Its payroll per factory employee is $22,743, compared with $20,694 in the PIA High Profit Standard. That is $2,049 more per employee. With higher payroll costs, one would expect more sales and more profit. Unfortunately, that is not the case.

*Is the company producing more or less?* The company is producing less! Note that sales per factory employee are $2,000,000 divided by 23 (number of factory employees), or $86,957. In contrast, the comparable PIA Standard is $92,607 of sales per factory employee — a difference of $5,650. High profit companies produce $2,000,000 of sales with 22 factory employees. This suggests two possibilities: the ABC Company has too many factory employees, or it needs all 23 factory employees but is not producing enough per employee.

Correspondingly, the company's Value Added (sales less materials) per factory employee is substantially lower than PIA Standards — $54,336 vs $58,918 or $4,582 lower.

**Factory Expenses.** ABC's factory expenses are approximately three-fourths percent higher than those of high profit companies. The problem lies mainly with variable expenses, specifically factory supplies and expense (0.44 percent higher) and repairs and maintenance (0.13 percent more). The questions to ask are: Is there a lack of adequate control? Are sales too low to support all of this overhead?

**Selling Expenses.** ABC Company's selling expenses are about one percent too high — 8.62 percent vs 7.66 percent, or an actual difference of 0.96 percent. The problem shows up in the following tabulation.

| | ABC | PIA Standard | Difference |
|---|---|---|---|
| Salaries | 6.06% | 5.42% | 0.64% |
| Travel and entertainment | 0.93 | 0.79 | 0.14 |
| Other selling expenses | 1.63 | 1.45 | 0.18 |
| | | | 0.96% |

The problem here is caused by salaries and other compensation expenses that are excessively high in relation to the company's sales.

**Interest Expense/Other Income.** There is a 1.23 percent difference in these categories between the ABC Company and the PIA Standard. This is due to a higher interest expense and lower other income.

| | |
|---|---|
| Interest Expense: | |
| ABC Company | 2.15% |
| PIA High Profit Standard | 1.22 |
| ABC Higher Interest Cost | 0.93% |
| Other Income: | |
| PIA High Profit Standard | 1.06% |
| ABC Company | 0.76 |
| ABC Lower Other Income | 0.30% |

On $2,000,000 of sales, the 1.23 percent between ABC's higher interest expense and lower income and the PIA Standard represents $24,600 of lost profit. It reduces the company's profit by 26 percent, to $93,400 rather than $118,000. This is a direct effect of ABC's balance sheet on the statement of operations — the result of having less funds and more debt.

**Conclusions.** In essence, if the ABC Company is to improve profit, it must find ways to correct:

**Pricing**
**Materials cost**
**Factory labor**
**Factory expenses**
**Administrative and selling expenses**

**Quality of Operations.** ABC had $2,000,000 in sales and a pretax profit of 4.67 percent, while its counterpart, the High Profit Standard firm, showed a pretax profit of 12.47 percent on the same sales. It seems strange but true that about 2-2/3 times the profit could be realized from the same sales volume:

| | Sales | Profit | % of Sales |
|---|---|---|---|
| ABC Company | $2,000,000 | $ 93,400 | 4.67% |
| PIA High Profit Standard | 2,000,000 | 249,400 | 12.47 |

Size isn't really that important when considering profits as a percentage of sales; there are companies less than half the size of ABC Company earning approximately the same percentage of pretax profit. In fact, on page 14 under companies with a sales volume of $250,000 to $500,000, the profit leaders are achieving a 12.57 percent pretax profit. This supports a well-known principle of business: In a firm's growth, quality should take precedence over quantity.

**Summary.** Our analysis has, of course, barely scratched the surface. However, it does illustrate how these ratios can help you uncover problems in your company's operation. We urge you to use them. With a diligent commitment, your end result should be an increase in profit as a percentage of sales, and improvement in your return on investment.

**BALANCE SHEET**

**ABC COMPANY**

| | DOLLARS | % OF TOTAL ASSETS | PIA HIGH PROFIT STANDARDS ($1,500,000-$5,000,000) | DIFFERENCE MORE (LESS) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **CURRENT ASSETS** | | | | |
| Cash | $ 32,800 | 6.45% | 11.25% | ( 4.80)% |
| Receivables | 167,500 | 32.93 | 29.55 | 3.38 |
| Inventories | 73,800 | 14.50 | 14.20 | 0.30 |
| Other current assets | 23,000 | 4.52 | 6.17 | ( 1.65) |
| **TOTAL CURRENT ASSETS** | 297,100 | 58.40 | 61.17 | ( 2.77) |
| **FIXED ASSETS** | | | | |
| Real estate | 51,100 | 10.05 | 10.78 | ( 0.73) |
| Less: Accumulated depreciation | 15,700 | 3.09 | 3.24 | ( 0.15) |
| | 35,400 | 6.96 | 7.54 | ( 0.58) |
| Machinery and equipment | 307,800 | 60.49 | 54.60 | 5.89 |
| Less: Accumulated depreciation | 169,700 | 33.34 | 30.83 | 2.51 |
| | 138,100 | 27.15 | 23.77 | 3.38 |
| Other fixed assets | 36,900 | 7.25 | 7.39 | ( 0.14) |
| Less: Accumulated depreciation | 19,200 | 3.78 | 3.95 | ( 0.17) |
| | 17,700 | 3.47 | 3.44 | 0.03 |
| **NET FIXED ASSETS** | 191,200 | 37.58 | 34.75 | 2.83 |
| **OTHER ASSETS** | 20,500 | 4.02 | 4.08 | ( 0.06) |
| **TOTAL ASSETS** | 508,800 | 100.00 | 100.00 | — |
| **LIABILITIES AND EQUITY** | | | | |
| **CURRENT LIABILITIES** | | | | |
| Notes payable | 45,400 | 8.92 | 5.30 | 3.62 |
| Accounts payable | 70,100 | 13.78 | 11.68 | 2.10 |
| Other current liabilities | 53,300 | 10.48 | 11.14 | ( 0.66) |
| **TOTAL CURRENT LIABILITIES** | 168,800 | 33.18 | 28.12 | 5.06 |
| **LONG-TERM LIABILITIES** | 129,800 | 25.51 | 18.39 | 7.12 |
| **TOTAL LIABILITIES** | 298,600 | 58.69 | 46.51 | 12.18 |
| **SHAREHOLDERS' AND PROPRIETORS' EQUITY** | 210,200 | 41.31 | 53.49 | (12.18) |
| **TOTAL LIABILITIES AND EQUITY** | 508,800 | 100.00 | 100.00 | — |

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## Balance Sheet Analysis

In comparing ABC's balance sheet ratios with the PIA High Profit Standard, the most significant revelation is ABC's debt. Its current debt of $168,800, or 33.18 percent, is 5.06 percent higher than the High Profit Standard of 28.12 percent. That means that ABC Company has about $25,700 more debt than is standard for high profit companies.

Furthermore, the standard tells us that ABC's problem is not just one of current debt, but also of long-term debt. The standard long-term debt is 7.12 percent lower than is ABC's long-term debt or, in absolute numbers, $36,000 less.

As a result, ABC's managers are funding the company with a 58.69 percent debt vs a debt of 46.51 percent for the High Profit firms in our study.

What is the company's *current ratio?* This is figured as:

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{\$297{,}100}{\$168{,}800} = 1.76$$

In contrast to ABC's ratio of 1.76, the High Profit current ratio is 2.18. ABC's current ratio is too low and instead, should be about 2.00. At the same time, however, it appears that the High Profit Standard may be slightly high. Why?

In ABC's case, the company needs more profit, more retention of earnings, and a lower *debt to equity ratio.* This ratio is:

$$\frac{\text{Debt}}{\text{Equity}} = \frac{\$298{,}600}{\$210{,}200} = 1.42$$

**Value Added**

ABC's Value Added is:

| | |
|---|---|
| Sales | $2,000,000 |
| Materials and Outside Services | 737,600 |
| Value Added | $1,262,400 |

The $1,262,400 is the value of ABC Company's own manufacture, or "inside sales." What is the factory labor cost as a percentage of this value added?

$$\frac{\text{Factory labor}}{\text{Value Added}} = \frac{\$\ 540{,}000}{\$1{,}262{,}400} = 42.78\%$$

Note that the comparable High Profit Standard for factory labor is 36.78 percent. According to this standard, only $464,300 of factory labor (rather than $540,000) should have been incurred to produce a Value Added of $1,262,400. PIA High Profit firms produced $1,468,000 of Value Added with the same labor cost.

The Company's objective should be to increase Value Added, while improving, by lowering, the ratio of factory labor to Value Added.

**Assets Committed Per Employee**

| | ABC | PIA High Profit Standard | Difference |
|---|---|---|---|
| Assets per employee | $31,575 | $35,793 | $4,218 |
| Assets per factory employee | 48,440 | 51,610 | 3,170 |

These figures show that ABC is not employing sufficient assets. There is a truism that goes, "It takes money to make money." It is also true that *companies with higher profits invest more assets in their employees.* This is a particular characteristic of capital intensity.

If ABC is to improve its profit as a percentage of sales and achieve a ratio similar to the PIA High Profit Standard, it must improve these statistics, *i.e.*, assets per employee and assets per factory employee. This is the complement of balance sheet improvement.

**The Anatomy of ABC Company**

| Employees | ABC | PIA High Profit Standard |
|---|---|---|
| Factory | 23.9 | 22.1 |
| Administrative | 4.3 | 4.0 |
| Selling | 3.8 | 3.3 |
| Total employees to produce $2,000,000 of sales | 32.0 | 29.4 |

The most significant difference here is that ABC has 1.8 more factory employees than the standard. Throughout our analysis, the PIA ratios tell us that ABC is not as productively efficient as High Profit firms. This is another indication that it is using more factory labor for the same production that High Profit firms achieve.

**Payroll as a Percentage of Sales**

ABC's total payroll as a percentage of sales is 39.87 percent. Compared with the High Profit Standard of 36.21 percent, there is a difference of 3.66 percent — over three-fourths of ABC's total profit. This figure includes all payroll (factory, administrative and sales) and related payroll expenses.

From our review of Significant Facts in the payroll classification, it appears that there is only one variance that merits investigation: the 3.66 percent difference in payroll from that of the standard.

ABC spent $0.88 per year in *factory payroll for every dollar of plant equipment* used (gross before depreciation). In contrast, by the standard, $0.89 should be spent in plant labor for each dollar of factory assets employed. Although this is not a significant difference, it would be misleading to conclude that this performance characteristic of High Profit companies is attributable only to their greater amount of equipment. While equipment is certainly a factor, one must also consider return on investment and mark-up procedures when the capital proportion of cost increases.

**Collection Period of Receivables**

ABC Company's collection period of receivables is 58.6 days — only slightly higher than the PIA High Profit Standard of 54.3 days. While this average is indicative of fair collection and credit procedures and a clue to a satisfactory customer list, better business judgment indicates that improvements still can and should be made in this area.

**Evaluation of Profitability**

ABC's 4.67 percent profit is inadequate when the company produces only an 8.66 percent return on investment. Moreover, its pretax profit is 7.80 percent below the PIA High Profit Standard for companies with similar sales volume. Most of this difference stems from a *gross profit* which is 5.61 percent less than the standard.

**Return on Investment**

The company's return on investment was 8.66 percent compared with the High Profit Standard of 18.06 percent. Its *investment turnover* was 142.86 percent, which is almost equal to the standard of 142.96 percent. Thus, ABC (and the profit leaders also) received $1.43 of sales per dollar of gross assets.

Generally speaking this is good, but the company's very poor income before interest, other income, and taxes obviously is still inadequate to produce a satisfactory return on investment. In other words, ABC's profit does not provide an adequate return on investment.

# Effectively Managing Today for Tomorrow

Economic conditions continue to force business managers to seize tighter control of their costing and pricing strategies. Even though recent industrial trends show large printers relatively unaffected by recessionary pressures, the majority of medium to small size printing firms have not been as fortunate. These firms continue to be ravaged by both inflationary and recessionary elements. Printing managers should take hold of this situation by employing updated costing and pricing strategies.

### Replacement Costs

The average printer is spending approximately 36 percent of sales on material. Printers cannot use yesterday's costs to determine today's pricing. Yet, while this simple statement may sound obvious, the fact remains that the majority of printers *do* calculate prices based on outdated costs.

With costs continuously changing, printers must be ready, at all times, to update their costing and pricing systems. Furthermore, to price jobs profitably they must be able to anticipate what those cost increases will be. Herein lies the problem for many printers. With material and supply costs increasing at a fast pace, determining exact figures for these costing components proves difficult. The NIFO (Next-In, First-Out) method for material costing insures that a printing firm's costs for a job will be reported so as to allow for adequate funds to *replace* the goods used to produce the work.

Using the NIFO method, if you were costing a job which required paper purchased at 43 cents per pound; film at $1 per sheet; and plates at $5, you would look ahead to what the replacement cost of these materials will be before you cost and price the work. If today's prices indicate that paper has jumped to 48 cents; film to $1.50; and plates to $5.50, then these are the figures you would use to calculate both costs and final price.

Pricing and Costing Utilizing Replacement Values

| Original Purchase Price | Current Price To Replace |
|---|---|
| Paper @ $0.43/lb. | $0.48 |
| Film @ $1.00 | $1.50 |
| Plates @ $5.00 | $5.50 |

According to NIFO, you cost and price at:

| Paper | Film | Plates |
|---|---|---|
| $0.48 | $1.50 | $5.50 |

Remember, the purpose of your cost and accounting system is to give you a clear picture of the ongoing financial operations of your business. The more accurate this picture is, the more intelligently you can price your printed product. Any system that does not provide for the replacement of materials and supplies will dig directly into your profits on the job.

### Updated Hourly Cost Rates

Another factor with tremendous impact on costing and pricing is hourly cost rates. These production cost calculations must be scrutinized at increasingly close intervals as your costs of doing business climb.

Since the foundation of budgeted hourly rates is an analysis of *current* operating expenses and *anticipation* of *increased* expenses, profitable and competitive rates need to be continuously updated to compensate for present economic woes. The old theory of determining hourly costs once a year can be thrown out the window. Under today's inflation rate, your hourly rates should be calculated on a quarterly basis in order to reflect true operating costs.

### Increased Productivity

Although increasing costs are a fact of life for today's printers, correspondingly increasing prices are not. The prime weapon graphic arts firms have to battle inflation with is productivity. Printers should take a close look at how improving productivity will lower the cost per unit and thus offset the devastating effects of inflation. Innovations are available in both management and technology that can give a big boost to productivity. Printers who do not keep pace with these innovations may well find higher costs driving them out of competition.

If your cost per hour of production is, say, $40 and you produce 5,000 units per hour, then your costs are $8 for each 1,000 units. Operating under 13 percent inflation for a period of three years, these same 5,000 units would cost $57.72 per hour, and total $11.54 per 1,000 units. (See illustration below.) This $3.54 per thousand increase may bump a printer out of the competitive market.

Assuming cost per hour cannot be changed, a graphic arts firm may well be stuck with the higher $57.72 cost per hour figure. But units produced *can* be improved. It is a rare (or not truthful) printer who can honestly say he cannot increase units produced per hour. In our example, a 2,215 boost in units produced each hour would lower the cost per unit back to the original $8 per thousand. Even though this entire increase may be unachievable, it is remarkable how much productivity can be increased if you set your goal and keep to it.

**Increased Productivity Keeps Cost Per Unit Down**

| | Cost Per Hour ($'s) | Units Produced (Per Hour) | Cost Per Unit ($'s/M) |
|---|---|---|---|
| Base | 40.00 | 5,000 | 8.00 |
| 13% Increase Per Year for Three Years | 57.72 | 5,000 | 11.54 |
| Objective to INCREASE Units Produced | 57.72 | 7,215 | 8.00 |

To implement this increase in units produced per hour may involve the purchase of new technology, a production improvement program, or merely an investment in higher quality materials. But often the increase can be instituted without any added capital at all.

Printers today must be ready to investigate all and any avenues available that might lead to increased productivity. By doing so, they will be better prepared to offset the potentially crippling effects of inflation. Tighter controls must be maintained in all aspects of the business. Accounting systems must insure that all costs are reported and that costs and prices are geared to the continuation of healthy operations. Printing managers can effectively manage today for tomorrow.

# Value Added — What It Means to You

Statements of Operations and Supporting Schedules, based on *Value Added* rather than sales dollars, appear on pages 10, 11, 12 and 13 of this study. This discussion of Value Added should be related to that material and not to the Statements of Operations and Supporting Schedules which are on pages 14, 15, 16 and 17.

### Value Added Defined

Value Added is simply your *sales less material costs*, which include paper, other chargeable materials and outside services. Value Added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

| | | |
|---|---|---|
| Sales | | $100.00 |
| Less Materials: | | |
| Paper | $23.03 | |
| Other chargeable materials | 5.38 | |
| Outside services | 8.03 | 36.44 |
| Value Added | | $ 63.56 |

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services — composition, offset preparation, printing, bindery, etc.

### Known By Other Terms

Value Added is also known by such other terms as *inside sales, conversion value, inside manufacturing value* and *real contribution to overhead and profit*. Whatever the term, the concept of Value Added is of prime importance to the profitability of your operations.

### Conceptual Understanding of Value Added

Once you observe that Value Added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

And then, what is left is a profit. This is different than the basic "cost sheet concept" that we are accustomed to in the printing industry.

And since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to **maximize your Value Added.**

Let us illustrate this with the following example, in which we are increasing the Value Added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of Value Added on profit.

| | Original | After Increase in Value Added |
|---|---|---|
| SALES | $1,000,000 | |
| Material Costs | 364,400 | |
| VALUE ADDED | 635,600 | $675,000 |
| "Overhead" | 591,000 | 591,000 |
| Operating Income | $ 44,600 | $ 84,000 |

### Statement of Operations — Value Added: The Better Statement

By eliminating the distortion that material costs introduce into the conventional operating statement, Value Added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than in its counterpart sheet-fed operation as it relates to the Value Added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on Value Added, this product mix difference is eliminated. In conclusion, **the Statement of Operations — Value Added is a better statement with which to evaluate your operations.**

### Selling Value Added

The importance of Value Added to you lies in the basic fact that your eventual profit (after all expenses are paid) is derived from sales of your own manufacture. Your overhead is not met by selling materials, but rather by the manufacturing in your plant.

True, most sales are desirable. But sales that are heavy in materials are less desirable because they contribute less to pay your fixed overhead, which must be covered first before there is any net profit. The sale that is mostly your in-house labor is better because it contributes more to cover fixed overhead. As you can see, the faster your overhead is met by Value Added, the sooner the excess appears as profit. This is an oversimplification, but it serves to emphasize that what we really want and need are those sales with the most Value Added.

Your management concept is to maximize Value Added through the following:

- Manufacturing policies
- Purchasing controls
- Target markets and sales
- Salesmen's compensation which complements this objective
- Others

### Mark-Ups for Cost and Profit

Understanding the Value Added concept permits focusing on the mark-up of materials for recovery of its share of overhead. It is essential that materials be priced at their cost plus their proper share of the allocated overhead. As Value Added is so important, it is imperative that the overhead recovered by materials be correct. The trite 5, 10 or 15% mark-up of materials (so-called handling charges) may or may not be correct. You should determine as a cost-center cost the correct overhead rate to be charged to materials. This is just as important as the correct press hourly rate.

Once this is done, you are looking at a cost sheet that contains materials with their share of overhead and cost-center costs. And now, you must apply the concept of profit mark-up. This will differ as the relationship of materials and manufacturing changes.

# Report on Operations—Value Added=100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **SALES OR VALUE OF PRODUCT PRODUCED** | X | X | X | X | X | X |
| **LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES** | X | X | X | X | X | X |
| **VALUE ADDED BY MANUFACTURE** | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 42.84 | 38.39 | 41.03 | 32.30 | 41.58 | 42.00 |
| FACTORY EXPENSES | 19.63 | 17.90 | 24.20 | 24.44 | 21.61 | 18.79 |
| **TOTAL FACTORY COST OF PRODUCT** | 62.47 | 56.29 | 65.23 | 56.74 | 63.19 | 60.79 |
| **GROSS PROFIT** | **37.53** | **43.71** | **34.77** | **43.26** | **36.81** | **39.21** |
| **ADMINISTRATIVE AND SELLING EXPENSES** | | | | | | |
| Administrative expenses | 15.93 | 13.93 | 17.31 | 12.77 | 20.63 | 15.34 |
| Selling expenses | 12.26 | 10.84 | 7.90 | 5.74 | 8.41 | 6.87 |
| **TOTAL ADMINISTRATIVE AND SELLING EXPENSES** | 28.19 | 24.77 | 25.21 | 18.51 | 29.04 | 22.21 |
| **INCOME BEFORE INTEREST EXPENSE** | 9.34 | 18.94 | 9.56 | 24.75 | 7.77 | 17.00 |
| Interest expense | 3.31 | 2.20 | 3.73 | 3.31 | 3.16 | 1.83 |
| **OPERATING INCOME** | 6.03 | 16.74 | 5.83 | 21.44 | 4.61 | 15.17 |
| Other income | 1.38 | 2.21 | 1.48 | 0.25 | 1.19 | 3.45 |
| **INCOME BEFORE INCOME TAXES** | **7.41** | **18.95** | **7.31** | **21.69** | **5.80** | **18.62** |

*** See Page 14 for the definition of Profit Leaders.**

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X | X | X |
| X | X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 40.89 | 37.70 | 42.87 | 36.73 | 44.87 | 38.78 | 46.79 | 42.47 |
| 19.23 | 16.19 | 18.66 | 16.99 | 19.56 | 17.86 | 20.09 | 18.87 |
| 60.12 | 53.89 | 61.53 | 53.72 | 64.43 | 56.64 | 66.88 | 61.34 |
| **39.88** | **46.11** | **38.47** | **46.28** | **35.57** | **43.36** | **33.12** | **38.66** |
| 19.18 | 17.52 | 15.26 | 14.85 | 12.32 | 12.39 | 10.00 | 8.34 |
| 12.32 | 11.00 | 13.67 | 11.81 | 14.23 | 13.95 | 10.58 | 10.02 |
| 31.50 | 28.52 | 28.93 | 26.66 | 26.55 | 26.34 | 20.58 | 18.36 |
| 8.38 | 17.59 | 9.54 | 19.62 | 9.02 | 17.02 | 12.54 | 20.30 |
| 3.12 | 1.95 | 3.45 | 1.95 | 3.26 | 2.43 | 3.33 | 2.57 |
| 5.26 | 15.64 | 6.09 | 17.67 | 5.76 | 14.59 | 9.21 | 17.73 |
| 1.40 | 2.24 | 1.25 | 1.68 | 1.95 | 3.58 | 1.28 | 1.76 |
| **6.66** | **17.88** | **7.34** | **19.35** | **7.71** | **18.17** | **10.49** | **19.49** |

# Supporting Schedules—Value Added=100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **FACTORY PAYROLL** | | | | | | |
| Salaries – executive | 3.21% | 3.20% | 7.79% | 5.46% | 3.80% | 4.93% |
| Direct wages | 28.40 | 25.29 | 24.95 | 18.26 | 27.72 | 28.39 |
| General factory salaries and wages | 4.50 | 4.14 | 4.24 | 5.46 | 4.62 | 3.49 |
| Packing, shipping and delivery wages | 1.33 | 1.06 | 0.27 | 0.12 | 0.97 | 0.84 |
| Payroll taxes | 2.52 | 1.98 | 2.60 | 1.78 | 2.63 | 2.53 |
| Employee benefits | 2.88 | 2.72 | 1.18 | 1.22 | 1.84 | 1.82 |
| **TOTAL FACTORY PAYROLL** | **42.84** | **38.39** | **41.03** | **32.30** | **41.58** | **42.00** |
| **FACTORY EXPENSES** | | | | | | |
| **Fixed Expenses** | | | | | | |
| Depreciation – real estate | 0.41 | 0.37 | 0.36 | 0.52 | 0.41 | 0.39 |
| Depreciation – other | 4.46 | 4.47 | 5.38 | 6.02 | 5.03 | 4.07 |
| Taxes – real estate | 0.31 | 0.31 | 0.18 | 0.04 | 0.21 | 0.17 |
| Taxes – other | 0.29 | 0.26 | 0.34 | 0.44 | 0.37 | 0.45 |
| Insurance | 0.89 | 0.76 | 1.62 | 1.46 | 1.41 | 1.55 |
| Building rent | 2.36 | 2.10 | 4.85 | 4.93 | 3.93 | 2.70 |
| Utilities – heat, light, etc. | 1.76 | 1.56 | 1.90 | 1.69 | 1.94 | 1.72 |
| Equipment rental | 1.12 | 0.98 | 4.28 | 5.54 | 1.54 | 1.01 |
| **Total Fixed Expenses** | **11.60** | **10.81** | **18.91** | **20.64** | **14.84** | **12.06** |
| **Other Expenses** | | | | | | |
| Factory supplies and expense | 3.11 | 2.68 | 1.49 | 1.13 | 2.17 | 2.27 |
| Packing, shipping and delivery expense | 1.71 | 1.64 | 1.08 | 0.89 | 1.79 | 1.66 |
| Repairs and maintenance | 2.09 | 1.83 | 2.03 | 1.25 | 1.98 | 1.73 |
| Other factory expenses | 1.12 | 0.94 | 0.69 | 0.53 | 0.83 | 1.07 |
| **Total Other Expenses** | **8.03** | **7.09** | **5.29** | **3.80** | **6.77** | **6.73** |
| **TOTAL FACTORY EXPENSES** | **19.63** | **17.90** | **24.20** | **24.44** | **21.61** | **18.79** |
| **ADMINISTRATIVE EXPENSES** | | | | | | |
| Salaries – executive | 4.82 | 4.29 | 4.82 | 2.58 | 7.51 | 5.62 |
| Salaries – office | 4.01 | 3.43 | 4.47 | 3.75 | 4.95 | 3.39 |
| Payroll taxes | 0.54 | 0.38 | 0.46 | 0.28 | 0.88 | 0.45 |
| Employee benefits | 0.81 | 0.71 | 0.41 | 0.14 | 0.73 | 0.43 |
| Bad debts | 0.65 | 0.50 | 0.61 | 0.68 | 0.70 | 0.22 |
| Office supplies and expenses | 0.80 | 0.73 | 1.13 | 1.08 | 0.93 | 0.91 |
| Professional fees | 0.91 | 0.85 | 1.18 | 1.11 | 1.23 | 1.14 |
| Taxes – business | 0.30 | 0.27 | 0.31 | 0.51 | 0.33 | 0.22 |
| Telephone | 0.77 | 0.67 | 1.47 | 0.99 | 1.06 | 0.90 |
| Other administrative expenses | 2.32 | 2.10 | 2.45 | 1.65 | 2.31 | 2.06 |
| **TOTAL ADMINISTRATIVE EXPENSES** | **15.93** | **13.93** | **17.31** | **12.77** | **20.63** | **15.34** |
| **SELLING EXPENSES** | | | | | | |
| Salaries – executive | 2.03 | 2.02 | 2.42 | 1.31 | 1.95 | 1.38 |
| Salaries and commissions – salesmen | 5.33 | 4.47 | 0.77 | 0.29 | 2.18 | 1.43 |
| Salaries – sales office clerical | 0.89 | 0.84 | 0.40 | 0.35 | 0.61 | 0.84 |
| Payroll taxes | 0.40 | 0.30 | 0.18 | 0.06 | 0.29 | 0.24 |
| Employee benefits | 0.46 | 0.43 | 0.11 | 0.12 | 0.19 | 0.15 |
| Advertising | 0.73 | 0.68 | 1.71 | 1.89 | 1.14 | 0.72 |
| Travel and entertainment | 1.41 | 1.15 | 1.94 | 0.96 | 1.37 | 1.17 |
| Other selling expenses | 1.01 | 0.95 | 0.37 | 0.76 | 0.68 | 0.94 |
| **TOTAL SELLING EXPENSES** | **12.26** | **10.84** | **7.90** | **5.74** | **8.41** | **6.87** |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 3.18% | 3.28% | 2.87% | 2.83% | 2.72% | 2.64% | 2.47% | 2.39% |
| 27.75 | 25.03 | 28.65 | 24.77 | 29.98 | 25.69 | 29.27 | 27.07 |
| 4.19 | 4.80 | 4.43 | 3.72 | 4.26 | 3.57 | 5.75 | 4.65 |
| 1.21 | 0.92 | 1.46 | 1.25 | 1.58 | 1.31 | 1.67 | 1.13 |
| 2.39 | 1.84 | 2.50 | 1.88 | 2.61 | 1.91 | 2.68 | 2.16 |
| 2.17 | 1.83 | 2.96 | 2.28 | 3.72 | 3.66 | 4.95 | 5.07 |
| **40.89** | **37.70** | **42.87** | **36.73** | **44.87** | **38.78** | **46.79** | **42.47** |
| | | | | | | | |
| 0.39 | 0.33 | 0.37 | 0.33 | 0.53 | 0.41 | 0.51 | 0.41 |
| 4.14 | 4.21 | 4.45 | 4.35 | 4.38 | 4.37 | 4.44 | 4.74 |
| 0.31 | 0.34 | 0.29 | 0.26 | 0.39 | 0.42 | 0.40 | 0.47 |
| 0.26 | 0.22 | 0.27 | 0.20 | 0.34 | 0.25 | 0.27 | 0.25 |
| 1.07 | 0.79 | 0.77 | 0.73 | 0.59 | 0.48 | 0.41 | 0.29 |
| 2.95 | 2.21 | 2.00 | 2.18 | 1.39 | 1.39 | 0.86 | 1.00 |
| 1.56 | 1.27 | 1.60 | 1.26 | 1.97 | 1.75 | 2.29 | 2.20 |
| 1.26 | 0.86 | 0.86 | 0.70 | 0.44 | 0.22 | 0.65 | 0.63 |
| **11.94** | **10.23** | **10.61** | **10.01** | **10.03** | **9.29** | **9.83** | **9.99** |
| | | | | | | | |
| 2.66 | 2.23 | 3.35 | 2.58 | 3.80 | 3.58 | 4.07 | 3.48 |
| 1.75 | 1.30 | 1.59 | 1.76 | 1.84 | 2.20 | 2.11 | 1.53 |
| 1.91 | 1.79 | 2.00 | 1.72 | 2.35 | 1.83 | 2.63 | 2.44 |
| 0.97 | 0.64 | 1.11 | 0.52 | 1.54 | 0.96 | 1.45 | 1.43 |
| **7.29** | **5.96** | **8.05** | **6.98** | **9.53** | **8.57** | **10.26** | **8.88** |
| **19.23** | **16.19** | **18.66** | **16.99** | **19.56** | **17.86** | **20.09** | **18.87** |
| | | | | | | | |
| 6.29 | 6.25 | 4.43 | 4.53 | 3.28 | 3.48 | 1.96 | 1.88 |
| 4.81 | 4.52 | 4.00 | 3.94 | 2.77 | 2.37 | 2.58 | 1.92 |
| 0.70 | 0.46 | 0.50 | 0.47 | 0.34 | 0.26 | 0.29 | 0.22 |
| 0.87 | 0.64 | 0.91 | 0.90 | 0.77 | 0.86 | 0.66 | 0.64 |
| 0.75 | 0.73 | 0.57 | 0.43 | 0.66 | 0.46 | 0.63 | 0.48 |
| 0.97 | 0.90 | 0.79 | 0.75 | 0.57 | 0.60 | 0.48 | 0.35 |
| 0.95 | 0.93 | 0.88 | 0.83 | 0.77 | 0.75 | 0.68 | 0.59 |
| 0.38 | 0.24 | 0.31 | 0.35 | 0.22 | 0.15 | 0.16 | 0.17 |
| 0.80 | 0.74 | 0.70 | 0.65 | 0.65 | 0.58 | 0.51 | 0.41 |
| 2.66 | 2.11 | 2.17 | 2.00 | 2.29 | 2.88 | 2.05 | 1.68 |
| **19.18** | **17.52** | **15.26** | **14.85** | **12.32** | **12.39** | **10.00** | **8.34** |
| | | | | | | | |
| 2.62 | 3.42 | 1.94 | 1.87 | 1.85 | 2.22 | 1.07 | 0.92 |
| 4.92 | 3.58 | 6.71 | 5.82 | 6.85 | 6.37 | 4.75 | 4.62 |
| 0.68 | 0.59 | 0.95 | 0.67 | 1.27 | 1.59 | 1.21 | 0.93 |
| 0.44 | 0.32 | 0.46 | 0.36 | 0.45 | 0.36 | 0.27 | 0.22 |
| 0.42 | 0.30 | 0.50 | 0.44 | 0.68 | 0.75 | 0.55 | 0.57 |
| 0.84 | 0.63 | 0.60 | 0.61 | 0.52 | 0.59 | 0.42 | 0.43 |
| 1.43 | 1.28 | 1.47 | 1.22 | 1.33 | 1.20 | 1.07 | 0.85 |
| 0.97 | 0.88 | 1.04 | 0.82 | 1.28 | 0.87 | 1.24 | 1.48 |
| **12.32** | **11.00** | **13.67** | **11.81** | **14.23** | **13.95** | **10.58** | **10.02** |

# Report on Operations—Sales=100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | | | |
| MATERIAL | | | | | | |
| Paper | 22.93 | 21.89 | 21.03 | 18.66 | 21.38 | 20.51 |
| Other chargeable materials | 5.52 | 5.30 | 4.44 | 3.71 | 4.61 | 2.97 |
| Outside services | 7.99 | 7.73 | 7.80 | 6.08 | 7.55 | 8.22 |
| TOTAL MATERIAL | 36.44 | 34.92 | 33.27 | 28.45 | 33.54 | 31.70 |
| FACTORY PAYROLL | 27.15 | 24.97 | 27.21 | 23.39 | 27.62 | 28.72 |
| FACTORY EXPENSES | 12.49 | 11.71 | 16.28 | 17.82 | 14.33 | 12.87 |
| TOTAL FACTORY COST OF PRODUCT | 76.08 | 71.60 | 76.76 | 69.66 | 75.49 | 73.29 |
| GROSS PROFIT | 23.92 | 28.40 | 23.24 | 30.34 | 24.51 | 26.71 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | | | |
| Administrative expenses | 10.20 | 9.16 | 11.34 | 8.95 | 13.56 | 10.60 |
| Selling expenses | 7.76 | 7.07 | 5.14 | 4.00 | 5.59 | 4.70 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 17.96 | 16.23 | 16.48 | 12.95 | 19.15 | 15.30 |
| INCOME BEFORE INTEREST EXPENSE | 5.96 | 12.17 | 6.76 | 17.39 | 5.36 | 11.41 |
| Interest expense | 2.07 | 1.38 | 2.53 | 2.40 | 2.06 | 1.23 |
| OPERATING INCOME | 3.89 | 10.79 | 4.23 | 14.99 | 3.30 | 10.18 |
| Other income | 0.84 | 1.36 | 1.05 | 0.18 | 0.73 | 2.39 |
| INCOME BEFORE INCOME TAXES | 4.73 | 12.15 | 5.28 | 15.17 | 4.03 | 12.57 |

# Supporting Schedules—Sales=100%

| | | | | | | |
|---|---|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | | | |
| Ink | 1.71% | 1.80% | 1.05% | 0.89% | 0.79% | 0.43% |
| Film | 1.16 | 1.07 | 1.05 | 0.93 | 0.94 | 0.58 |
| Plates | 1.26 | 1.08 | 1.69 | 1.16 | 1.00 | 0.72 |
| Other chargeable materials | 1.39 | 1.35 | 0.65 | 0.73 | 1.88 | 1.24 |
| TOTAL OTHER CHARGEABLE MATERIALS | 5.52 | 5.30 | 4.44 | 3.71 | 4.61 | 2.97 |
| OUTSIDE SERVICES | | | | | | |
| Composition | 0.98 | 0.82 | 1.58 | 1.03 | 0.79 | 0.91 |
| Offset preparation | 1.36 | 1.49 | 0.66 | 0.22 | 0.92 | 0.87 |
| Printing | 2.13 | 2.38 | 3.31 | 4.04 | 3.88 | 4.48 |
| Binding | 1.84 | 1.85 | 0.58 | 0.40 | 1.21 | 1.72 |
| Other outside services | 1.68 | 1.19 | 1.67 | 0.39 | 0.75 | 0.24 |
| TOTAL OUTSIDE SERVICES | 7.99 | 7.73 | 7.80 | 6.08 | 7.55 | 8.22 |

*"Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** | **100.00%** |
| 20.59 | 19.88 | 22.97 | 21.95 | 25.05 | 23.03 | 28.00 | 25.58 |
| 4.82 | 4.82 | 5.39 | 4.77 | 6.01 | 5.50 | 8.23 | 9.01 |
| 8.40 | 8.64 | 8.52 | 8.44 | 8.31 | 8.05 | 5.33 | 5.03 |
| 33.81 | 33.34 | 36.88 | 35.16 | 39.37 | 36.58 | 41.56 | 39.62 |
| 27.12 | 25.18 | 27.00 | 23.85 | 27.09 | 24.40 | 27.35 | 25.78 |
| 12.83 | 10.88 | 11.78 | 11.04 | 11.74 | 11.34 | 11.66 | 11.30 |
| 73.76 | 69.40 | 75.66 | 70.05 | 78.20 | 72.32 | 80.57 | 76.70 |
| **26.24** | **30.60** | **24.34** | **29.95** | **21.80** | **27.68** | **19.43** | **23.30** |
| 12.73 | 11.64 | 9.66 | 9.66 | 7.39 | 7.92 | 5.93 | 5.20 |
| 8.06 | 7.34 | 8.62 | 7.66 | 8.74 | 9.11 | 6.26 | 6.16 |
| 20.79 | 18.98 | 18.28 | 17.32 | 16.13 | 17.03 | 12.19 | 11.36 |
| 5.45 | 11.62 | 6.06 | 12.63 | 5.67 | 10.65 | 7.24 | 11.94 |
| 2.04 | 1.30 | 2.15 | 1.22 | 1.93 | 1.44 | 1.83 | 1.43 |
| 3.41 | 10.32 | 3.91 | 11.41 | 3.74 | 9.21 | 5.41 | 10.51 |
| 0.91 | 1.44 | 0.76 | 1.06 | 1.10 | 1.93 | 0.72 | 1.06 |
| **4.32** | **11.76** | **4.67** | **12.47** | **4.84** | **11.14** | **6.13** | **11.57** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 0.95% | 1.08% | 1.47% | 1.26% | 2.15% | 1.53% | 4.67% | 5.23% |
| 1.19 | 1.53 | 1.27 | 1.18 | 1.15 | 0.90 | 0.98 | 1.04 |
| 1.24 | 0.95 | 1.33 | 1.14 | 1.27 | 1.33 | 1.26 | 1.07 |
| 1.44 | 1.26 | 1.32 | 1.19 | 1.44 | 1.74 | 1.32 | 1.67 |
| **4.82** | **4.82** | **5.39** | **4.77** | **6.01** | **5.50** | **8.23** | **9.01** |
| 1.35 | 1.24 | 1.04 | 0.91 | 0.57 | 0.74 | 0.23 | 0.09 |
| 1.08 | 1.58 | 1.65 | 1.98 | 1.90 | 1.94 | 0.95 | 0.83 |
| 3.22 | 3.89 | 1.72 | 1.89 | 1.02 | 1.26 | 0.73 | 0.69 |
| 1.37 | 0.93 | 2.24 | 2.46 | 2.63 | 2.71 | 1.54 | 1.58 |
| 1.38 | 1.00 | 1.87 | 1.20 | 2.19 | 1.40 | 1.88 | 1.84 |
| **8.40** | **8.64** | **8.52** | **8.44** | **8.31** | **8.05** | **5.33** | **5.03** |

# Supporting Schedules—Sales=100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **FACTORY PAYROLL** | | | | | | |
| Salaries – executive | 2.06% | 2.11% | 5.24% | 4.08% | 2.53% | 3.36% |
| Direct wages | 17.97 | 16.38 | 16.74 | 13.47 | 18.30 | 19.25 |
| General factory salaries and wages | 2.87 | 2.73 | 2.56 | 3.59 | 3.13 | 2.51 |
| Packing, shipping and delivery wages | 0.83 | 0.68 | 0.19 | 0.09 | 0.65 | 0.58 |
| Payroll taxes | 1.60 | 1.31 | 1.69 | 1.26 | 1.77 | 1.75 |
| Employee benefits | 1.82 | 1.76 | 0.79 | 0.90 | 1.24 | 1.27 |
| **TOTAL FACTORY PAYROLL** | **27.15** | **24.97** | **27.21** | **23.39** | **27.62** | **28.72** |
| **FACTORY EXPENSES** | | | | | | |
| **Fixed Expenses** | | | | | | |
| Depreciation – real estate | 0.26 | 0.24 | 0.25 | 0.37 | 0.28 | 0.25 |
| Depreciation – other | 2.81 | 2.86 | 3.52 | 4.29 | 3.27 | 2.78 |
| Taxes – real estate | 0.19 | 0.20 | 0.12 | 0.02 | 0.14 | 0.11 |
| Taxes – other | 0.18 | 0.17 | 0.22 | 0.29 | 0.23 | 0.31 |
| Insurance | 0.57 | 0.50 | 1.06 | 1.03 | 0.92 | 1.05 |
| Building rent | 1.53 | 1.40 | 3.23 | 3.55 | 2.61 | 1.87 |
| Utilities – heat, light, etc. | 1.11 | 1.01 | 1.27 | 1.21 | 1.28 | 1.18 |
| Equipment rental | 0.76 | 0.71 | 3.10 | 4.31 | 1.06 | 0.72 |
| **Total Fixed Expenses** | **7.41** | **7.09** | **12.77** | **15.07** | **9.79** | **8.27** |
| **Other Expenses** | | | | | | |
| Factory supplies and expense | 1.96 | 1.74 | 0.98 | 0.80 | 1.48 | 1.58 |
| Packing, shipping and delivery expense | 1.09 | 1.07 | 0.73 | 0.63 | 1.19 | 1.15 |
| Repairs and maintenance | 1.32 | 1.19 | 1.33 | 0.89 | 1.33 | 1.18 |
| Other factory expenses | 0.71 | 0.62 | 0.47 | 0.43 | 0.54 | 0.69 |
| **Total Other Expenses** | **5.08** | **4.62** | **3.51** | **2.75** | **4.54** | **4.60** |
| **TOTAL FACTORY EXPENSES** | **12.49** | **11.71** | **16.28** | **17.82** | **14.33** | **12.87** |
| **ADMINISTRATIVE EXPENSES** | | | | | | |
| Salaries – executive | 3.10 | 2.83 | 3.17 | 1.80 | 4.97 | 3.91 |
| Salaries – office | 2.57 | 2.25 | 2.95 | 2.63 | 3.27 | 2.32 |
| Payroll taxes | 0.35 | 0.25 | 0.29 | 0.19 | 0.56 | 0.31 |
| Employee benefits | 0.52 | 0.47 | 0.24 | 0.09 | 0.49 | 0.30 |
| Bad debts | 0.40 | 0.33 | 0.40 | 0.51 | 0.43 | 0.15 |
| Office supplies and expenses | 0.51 | 0.48 | 0.74 | 0.77 | 0.61 | 0.62 |
| Professional fees | 0.58 | 0.56 | 0.77 | 0.78 | 0.80 | 0.78 |
| Taxes – business | 0.19 | 0.18 | 0.21 | 0.34 | 0.22 | 0.16 |
| Telephone | 0.49 | 0.44 | 0.93 | 0.71 | 0.69 | 0.62 |
| Other administrative expenses | 1.49 | 1.37 | 1.64 | 1.13 | 1.52 | 1.43 |
| **TOTAL ADMINISTRATIVE EXPENSES** | **10.20** | **9.16** | **11.34** | **8.95** | **13.56** | **10.60** |
| **SELLING EXPENSES** | | | | | | |
| Salaries – executive | 1.30 | 1.31 | 1.60 | 0.94 | 1.27 | 0.94 |
| Salaries and commissions – salesmen | 3.34 | 2.90 | 0.51 | 0.20 | 1.47 | 1.01 |
| Salaries – sales office clerical | 0.57 | 0.56 | 0.29 | 0.23 | 0.43 | 0.58 |
| Payroll taxes | 0.26 | 0.20 | 0.11 | 0.04 | 0.20 | 0.17 |
| Employee benefits | 0.29 | 0.28 | 0.07 | 0.08 | 0.13 | 0.11 |
| Advertising | 0.48 | 0.45 | 1.16 | 1.36 | 0.77 | 0.49 |
| Travel and entertainment | 0.89 | 0.75 | 1.16 | 0.64 | 0.89 | 0.78 |
| Other selling expenses | 0.63 | 0.62 | 0.24 | 0.51 | 0.43 | 0.62 |
| **TOTAL SELLING EXPENSES** | **7.76** | **7.07** | **5.14** | **4.00** | **5.59** | **4.70** |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.11% | 2.17% | 1.81% | 1.82% | 1.63% | 1.66% | 1.45% | 1.45% |
| 18.40 | 16.88 | 17.96 | 15.90 | 18.13 | 16.10 | 17.01 | 16.31 |
| 2.77 | 3.07 | 2.86 | 2.56 | 2.56 | 2.33 | 3.39 | 2.87 |
| 0.80 | 0.57 | 0.92 | 0.83 | 0.94 | 0.81 | 0.95 | 0.68 |
| 1.58 | 1.23 | 1.58 | 1.24 | 1.59 | 1.23 | 1.58 | 1.36 |
| 1.46 | 1.26 | 1.87 | 1.50 | 2.24 | 2.27 | 2.97 | 3.11 |
| **27.12** | **25.18** | **27.00** | **23.85** | **27.09** | **24.40** | **27.35** | **25.78** |
| | | | | | | | |
| 0.26 | 0.23 | 0.23 | 0.21 | 0.32 | 0.26 | 0.30 | 0.25 |
| 2.74 | 2.77 | 2.79 | 2.76 | 2.57 | 2.71 | 2.54 | 2.82 |
| 0.21 | 0.24 | 0.19 | 0.17 | 0.24 | 0.26 | 0.23 | 0.26 |
| 0.17 | 0.15 | 0.17 | 0.13 | 0.20 | 0.16 | 0.17 | 0.16 |
| 0.70 | 0.53 | 0.49 | 0.48 | 0.35 | 0.29 | 0.24 | 0.17 |
| 1.96 | 1.48 | 1.26 | 1.42 | 0.82 | 0.87 | 0.50 | 0.62 |
| 1.03 | 0.85 | 1.01 | 0.82 | 1.18 | 1.10 | 1.34 | 1.31 |
| 0.89 | 0.62 | 0.56 | 0.50 | 0.27 | 0.15 | 0.38 | 0.39 |
| **7.96** | **6.87** | **6.70** | **6.49** | **5.95** | **5.80** | **5.70** | **5.98** |
| | | | | | | | |
| 1.80 | 1.52 | 2.12 | 1.68 | 2.31 | 2.29 | 2.35 | 2.06 |
| 1.15 | 0.85 | 1.00 | 1.13 | 1.14 | 1.50 | 1.22 | 0.88 |
| 1.27 | 1.20 | 1.25 | 1.12 | 1.40 | 1.16 | 1.51 | 1.47 |
| 0.65 | 0.44 | 0.71 | 0.62 | 0.94 | 0.59 | 0.88 | 0.91 |
| **4.87** | **4.01** | **5.08** | **4.55** | **5.79** | **5.54** | **5.96** | **5.32** |
| **12.83** | **10.88** | **11.78** | **11.04** | **11.74** | **11.34** | **11.66** | **11.30** |
| | | | | | | | |
| 4.17 | 4.14 | 2.81 | 2.98 | 1.95 | 2.16 | 1.15 | 1.17 |
| 3.20 | 3.00 | 2.51 | 2.53 | 1.66 | 1.54 | 1.53 | 1.18 |
| 0.47 | 0.31 | 0.32 | 0.30 | 0.21 | 0.17 | 0.17 | 0.14 |
| 0.58 | 0.43 | 0.57 | 0.59 | 0.47 | 0.59 | 0.39 | 0.40 |
| 0.50 | 0.50 | 0.36 | 0.28 | 0.37 | 0.28 | 0.37 | 0.33 |
| 0.64 | 0.59 | 0.50 | 0.49 | 0.35 | 0.39 | 0.28 | 0.21 |
| 0.63 | 0.62 | 0.56 | 0.54 | 0.47 | 0.49 | 0.41 | 0.37 |
| 0.24 | 0.15 | 0.19 | 0.23 | 0.13 | 0.10 | 0.10 | 0.11 |
| 0.53 | 0.49 | 0.45 | 0.42 | 0.39 | 0.39 | 0.30 | 0.25 |
| 1.77 | 1.41 | 1.39 | 1.30 | 1.39 | 1.81 | 1.23 | 1.04 |
| **12.73** | **11.64** | **9.66** | **9.66** | **7.39** | **7.92** | **5.93** | **5.20** |
| | | | | | | | |
| 1.72 | 2.25 | 1.23 | 1.17 | 1.14 | 1.43 | 0.65 | 0.56 |
| 3.19 | 2.39 | 4.23 | 3.81 | 4.17 | 4.10 | 2.77 | 2.79 |
| 0.45 | 0.41 | 0.60 | 0.44 | 0.81 | 1.11 | 0.70 | 0.55 |
| 0.29 | 0.21 | 0.29 | 0.24 | 0.28 | 0.24 | 0.16 | 0.14 |
| 0.27 | 0.20 | 0.31 | 0.29 | 0.41 | 0.47 | 0.33 | 0.35 |
| 0.56 | 0.42 | 0.38 | 0.39 | 0.33 | 0.40 | 0.27 | 0.29 |
| 0.94 | 0.85 | 0.93 | 0.79 | 0.81 | 0.78 | 0.63 | 0.54 |
| 0.64 | 0.61 | 0.65 | 0.53 | 0.79 | 0.58 | 0.75 | 0.94 |
| **8.06** | **7.34** | **8.62** | **7.66** | **8.74** | **9.11** | **6.26** | **6.16** |

# Meaning of Significant Facts

Significant Facts in these ratios are often particularly important statistics and ratios to printers. They are as meaningful as the financial statements, and often are the lowest common denominators which can be easily managed to produce higher profits.

**Investment**

The objective in this section is to present *assets used per employee.* From the facts on pages 20 and 21, you will note that High Profit companies generally invest more assets per employee. As sales volume increases, assets invested per employee also increase. Significant Facts related to investment are defined and explained below.

Assets per Employee — All Employees = $\frac{\textbf{Assets (Net)}}{\textbf{Number of All Employees}}$ = This ratio includes all assets — current, fixed (net of depreciation), and others. It indicates the adequacy of the funds you employ.

Assets per Factory Employee = $\frac{\textbf{Assets (Net)}}{\textbf{Number of Factory Employees}}$ = This ratio is similar to the one above, but shows assets per factory employee.

Average Net Worth per Employee = $\frac{\textbf{Shareholders' Equity}}{\textbf{Number of All Employees}}$ = This figure tells what part of the first ratio (assets per employee) is funded by shareholders' investment.

Average Gross Plant Investment per Factory Employee = $\frac{\textbf{Plant Machinery and Equipment (Gross)}}{\textbf{Number of Factory Employees}}$ = This is a "key fact." It is obvious that the trend *is toward more equipment per factory employee.*

Net Worth Percentage of Fixed Assets = $\frac{\textbf{Shareholders' Equity}}{\textbf{Fixed Assets (Net)}}$ = This ratio indicates the relationship between funding fixed assets and shareholders' equity. Fixed assets should never be funded with current debt, but should be funded with long-term debt and shareholders' equity. This equity should also fund about 50 percent of all assets — an indication of funding strength.

**Sales**

The category of sales provides information on sales per employee. These statistics are determined twice — once including executives and then excluding them. Here, we will address statistics excluding executives. The following sales proportions are particularly noteworthy:

Sales per Employee = $\frac{\textbf{Sales}}{\textbf{Number of All Employees}}$ = This is an invaluable number. The only better ones are the two ratios below.

Sales per Factory Employee = $\frac{\textbf{Sales}}{\textbf{Number of Factory Employees}}$ = This is a refined number of sales produced per factory employee.

Sales Less Materials per Factory Employee = $\frac{\textbf{Sales Less Materials}}{\textbf{Number of Factory Employees}}$ = This ratio is the Value Added produced per factory employee — one of the most important ratios in the Ratio Study. You must know this number and plan to improve it; the end result will be improved profit.

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**Employee Distribution**

This category of Significant Facts presents the percentage distribution of employees by departments. For example, for all firms reporting in the PIA Ratio Study, the distribution is as follows:

| | |
|---|---|
| Factory | 74.82% |
| Administrative | 14.55 |
| Sales | 10.63 |
| | 100.00 |

The most important fact here is the percentage of factory employees. Although there may be a firm with too many factory employees and not enough administrative and selling employees, this would be a rare exception. You need factory employees to produce your product; their productivity gives you your revenues.

Often, a very simple observation serves as an indicator of productivity; *i.e.*, are there enough factory employees to produce the product required to support the overhead and provide a profit. This seems elementary, in many cases, it's a revelation. Note that the percentage of factory employees is about 74 percent for very small firms, and rises to 83 percent of all employees for very large firms. There is a specific characteristic for each sales class — a very simple, but valid relationship.

### Sales Per Salesman

This ratio is computed as follows:

$$\frac{\textbf{Sales Produced by Sales People}}{\textbf{Number of Sales People}}$$

To use this fact properly, you must be very specific in taking into account your sales volume as well as your product and process specialties. Pages 20 and 21 show that sales per salesman in a small firm are about $134,000 and that the figure rises to $1,833,000 for firms with sales over $10 million. This rise occurs throughout sales classes, and you must zero in on **your sales class** and **relate your figures to the product and process specialties** in the other PIA books in this series. Data for publications printing will be much different from that for commerical printing, and data from web-offset will be different from sheet-offset data.

### Payroll

Payroll statistics are computed first by including fringe benefits and executive compensation, and then again by excluding these factors. Thus, there is a separate section within this category for executive payroll.

The first item in this category is total payroll as a percentage of sales. This includes factory, administrative and sales payroll, and is computed as follows:

$$\frac{\textbf{All Payroll Costs}}{\textbf{Sales}}$$

This ratio is affected by the size of a firm. Payroll as a percentage of sales in small firms starts at about 36 percent and decreases to about 33 percent for very large firms. The change is gradual, but significant.

The next ratio is factory payroll as a percentage of gross plant investment. It is computed as:

$$\frac{\textbf{Factory Payroll}}{\textbf{Machinery and Equipment (Gross)}}$$

In general, this ratio equals about $1.00 per year in payroll costs per dollar of gross plant investment. This is a very qualitative statistic and the absolute number requires further evaluation. Of course, more than a 100 percent ratio would be better if the company were fully equipped. In this case, there would be a maximum utilization of equipment. However, it is still possible to have over a 100 percent ratio as the result of inadequate plant facilities. In other words, the number doesn't tell the full story.

**Payroll per employee.** This category provides an absolute amount of payroll per employee and, more specifically, per factory, administrative, and sales employee. These numbers are presented for "All Firms" and "Profit Leaders" in each sales class.

Note that, in some cases, **Profit Leaders pay less per employee.** One must put aside the notion that higher profit has to do with lower payroll costs. We have already established that Profit Leaders have a lower relative payroll cost, but that this is related to a higher capital investment per employee and a greater Value Added per factory employee.

A separate subheading in this category addresses payroll per executive for all employees, and then again, payroll broken down more specifically per factory, administrative, and sales executive.

### Collection Period

The collection period of receivables is the time from sale to payment:

$$\frac{\text{Average Receivables}}{\text{Annual Sales}} \quad \text{X} \quad 365 \quad = \quad \text{Collection Period of Receivables}$$

**Receivables Turnover.** Quite correctly, these sales are only credit sales, but in *printing*, credit sales are almost synonymous with sales. "Average receivables" is the sum of beginning of the year receivables and end of the year accounts receivable balances divided by two:

$$\frac{\textbf{Accounts Receivable Beginning + Accounts Receivable Ending}}{\textbf{2}}$$

However, you can derive a better average if you use the beginning of the year balance plus the end of each month's balance and divide by 13. This produces your best average and, the better your average, the more accurate your collection period computation. Your ratio is indicative of your credit and collection policies. As it increases or decreases, your cash, receivables, payables, interest and other related accounts are all affected.

Most printing firms have about one-sixth of their annual sales in accounts receivable. For example, if your sales were $1,200,000, you would have $200,000 in accounts receivable. This would produce a real or imputed economic interest cost of at least $30,000 a year. Any reduction in the collection period would reduce the portion of your assets in receivables and related interest costs. The faster the turnover, the sooner receivables turn into cash to pay liabilities, and the smoother your company operates.

### Profit

**Gross profit.** Profit before taxes is generally determined before gross profit percentage is calculated. A printing company with a gross profit below 25 percent will rarely achieve a satisfactory net profit.

Gross profit percentage is computed as follows: first, determine your gross profit — sales less the cost of goods manufactured. Then relate gross profit to sales.

$$\frac{\text{Gross Profit}}{\text{Sales}} = \text{Gross Profit as a Percentage of Sales}$$

| | All Firms | |
|---|---|---|
| | All Firms | Profit Leaders |
| Gross Profit as a Percentage of Sales | 23.92% | 28.40% |

Smaller firms require a higher gross profit percentage. In firms with up to about $5,000,000 in sales, the High Profit Standard is approximately 30 percent of gross profit. At that point, the gross profit required becomes less because of relatively lower administrative and selling expenses.

Too many printers are searching for a mystical formula to produce high profits. That formula need not be mystical, however, there really is a way to produce a higher gross profit. The difference in gross profits between "All Firms" and "Profit Leaders" approximates the difference in profit before taxes. Therefore, a source of higher profits is increasing gross profits. This directs us to:

- — Pricing
- — Material costing and control
- — Increased value added per factory employee
- — Expense control.

**The average gross profit per factory employee is an excellent lowest common denominator with which to gauge your profit performance.** It is computed as follows:

$$\frac{\textbf{Total Gross Profit}}{\textbf{Number of Factory Employees}} = \textbf{Average Gross Profit Per Factory Employee}$$

| | **All Firms** | |
|---|---|---|
| | **All Firms** | **Profit Leaders** |
| **Average Gross Profit per Factory Employee** | **$23,137** | **$27,503** |

Another interesting statistic is your average net profit before taxes per employee. For all firms, this figure is $3,164 as compared to $8,317 for Profit Leaders.

Income before taxes as a percentage of sales for all printing firms in the Ratio Study was 4.73 percent, compared with 12.15 percent for the Profit Leaders. The percentage for all firms is much too low; it returns a dismal 8.37 percent on investment. High Profit firms realize 17.23 percent return on investment.

# Significant Facts

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **INVESTMENT** | | | | | | |
| Average assets per employee – All employees | $ 31,079 | $ 36,472 | $ 22,914 | $ 23,139 | $ 20,439 | $ 21,561 |
| Average assets per factory employee (Excluding Executives) | 48,835 | 53,324 | 40,978 | 37,802 | 32,708 | 32,616 |
| Average net worth per employee – All employees | 13,116 | 19,762 | 6,699 | 10,466 | 7,859 | 10,976 |
| Average gross plant investment per factory employee (Excluding Executives) | 36,323 | 36,326 | 35,650 | 25,884 | 28,460 | 23,094 |
| Net worth percentage of fixed assets | 157.94% | 231.16% | 253.36% | 495.00% | 140.31% | 236.97% |
| **EMPLOYEES** | | | | | | |
| Percent factory – All employees | 74.82% | 76.66% | 73.94% | 79.66% | 71.22% | 76.52% |
| Percent administrative – All employees | 14.55 | 13.43 | 19.23 | 14.39 | 21.35 | 17.29 |
| Percent sales – All employees | 10.63 | 9.91 | 6.83 | 5.95 | 7.43 | 6.19 |
| **SALES – VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES** | | | | | | |
| Sales per employee – All employees | $ 59,882 | $ 67,068 | $ 41,597 | $ 52,815 | $ 42,812 | $ 47,144 |
| Sales per factory employee | 84,885 | 90,080 | 61,411 | 72,680 | 61,774 | 62,872 |
| Sales less material per factory employee | 52,911 | 56,894 | 40,431 | 51,041 | 40,614 | 42,351 |
| Sales per administrative employee | 532,883 | 634,183 | 172,361 | 201,461 | 213,648 | 243,389 |
| **EXCLUDING EXECUTIVES** | | | | | | |
| Sales per employee – All employees | 67,901 | 75,550 | 57,942 | 64,286 | 53,371 | 59,142 |
| Sales per factory employee | 94,872 | 97,786 | 78,028 | 81,302 | 69,459 | 70,254 |
| Sales less material per factory employee | 59,237 | 61,755 | 51,721 | 57,453 | 45,457 | 47,389 |
| **SALES PER SALESMAN** | 650,343 | 762,199 | 134,017 | 0 | 141,969 | 0 |
| **SALES TO CURRENT ASSETS** | 402% | 365% | 542% | 477% | 473% | 447% |
| **PAYROLL – INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES** | | | | | | |
| Total payroll percentage of sales | 39.44% | 36.01% | 36.45% | 29.60% | 40.41% | 38.37% |
| Factory payroll percentage of gross plant investment | 90.47 | 100.23 | 145.41 | 262.01 | 100.75 | 158.68 |
| Payroll per employee – All employees | $ 22,753 | $ 22,966 | $ 13,984 | $ 14,239 | $ 16,721 | $ 17,114 |
| Payroll per factory employee | 21,951 | 21,218 | 14,332 | 13,960 | 16,120 | 16,770 |
| Payroll per administrative employee | 26,175 | 27,125 | 10,530 | 10,095 | 17,795 | 17,247 |
| Payroll per sales employee | 31,737 | 34,566 | 7,306 | 6,245 | 11,552 | 11,483 |
| **PAYROLL – EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES** | | | | | | |
| Payroll per employee – All employees | $ 18,337 | $ 18,273 | $ 12,133 | $ 12,036 | $ 13,531 | $ 14,224 |
| Payroll per factory employee | 19,333 | 18,255 | 12,346 | 11,833 | 13,868 | 14,321 |
| Payroll per administrative employee | 14,167 | 13,843 | 6,455 | 5,955 | 10,555 | 10,467 |
| Payroll per sales employee | 25,173 | 25,937 | 2,687 | 1,649 | 7,516 | 8,804 |
| **EXECUTIVE PAYROLL** | | | | | | |
| Payroll per executive – All executives | 39,294 | 42,520 | 12,426 | 11,526 | 21,301 | 20,450 |
| Payroll per factory executive | 26,128 | 28,464 | 10,346 | 9,313 | 12,726 | 16,755 |
| Payroll per administrative executive | 44,710 | 47,948 | 8,303 | 5,294 | 20,069 | 17,345 |
| Payroll per sales executive | 32,029 | 36,930 | 6,995 | 6,561 | 8,232 | 8,266 |
| **RECEIVABLES** | | | | | | |
| Collection period | 57.7 | 57.2 | 51.7 | 40.8 | 48.6 | 51.8 |
| **PROFIT** | | | | | | |
| Gross profit percentage of sales | 23.92% | 28.40% | 23.24% | 30.34% | 24.51% | 26.71% |
| Average gross profit per factory employee | $ 23,137 | $ 27,503 | $ 19,671 | $ 26,221 | $ 17,947 | $ 19,881 |
| Income before taxes percentage of sales | 4.73% | 12.15% | 5.28% | 15.17% | 4.03% | 12.57% |
| Average income before taxes per employee | $ 3,164 | $ 8,317 | $ 2,917 | $ 8,821 | $ 2,052 | $ 6,239 |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 24,392 | $ 28,817 | $ 31,575 | $ 35,793 | $ 39,289 | $ 45,367 | $ 48,542 | $ 54,165 |
| 43,226 | 43,096 | 48,440 | 51,610 | 53,140 | 61,692 | 76,122 | 82,024 |
| 10,669 | 16,860 | 12,956 | 18,864 | 18,024 | 25,951 | 21,236 | 28,606 |
| 32,364 | 28,471 | 37,396 | 36,883 | 36,539 | 40,131 | 48,906 | 54,908 |
| 171.88% | 227.78% | 152.64% | 227.85% | 138.81% | 197.92% | 140.54% | 164.84% |
| 70.85% | 71.92% | 74.67% | 75.13% | 79.37% | 77.88% | 82.78% | 83.86% |
| 17.47 | 17.55 | 13.37 | 13.57 | 9.75 | 9.95 | 9.09 | 8.29 |
| 11.68 | 10.53 | 11.96 | 11.30 | 10.88 | 12.17 | 8.13 | 7.85 |
| $ 50,660 | $ 52,292 | $ 62,513 | $ 68,024 | $ 69,392 | $ 75,259 | $ 84,728 | $ 95,532 |
| 81,336 | 73,702 | 86,957 | 92,607 | 88,810 | 97,362 | 112,830 | 124,604 |
| 52,971 | 48,321 | 54,336 | 58,918 | 52,998 | 60,246 | 64,546 | 72,846 |
| 325,196 | 332,212 | 530,050 | 581,603 | 809,586 | 843,400 | 1,147,977 | 1,368,922 |
| 58,873 | 61,324 | 69,940 | 75,432 | 74,739 | 81,562 | 91,368 | 104,280 |
| 92,224 | 78,361 | 95,391 | 97,742 | 92,980 | 102,361 | 131,754 | 144,582 |
| 60,133 | 51,314 | 59,719 | 62,146 | 55,471 | 63,313 | 75,679 | 84,836 |
| 264,698 | 247,450 | 445,654 | 418,575 | 772,733 | 739,606 | 1,832,849 | 1,912,156 |
| 418% | 351% | 385% | 366% | 356% | 310% | 350% | 340% |
| 41.46% | 38.52% | 39.87% | 36.21% | 38.18% | 36.21% | 35.22% | 33.06% |
| 91.61 | 83.29 | 87.56 | 88.73 | 78.47 | 68.07 | 77.99 | 75.72 |
| $ 20,424 | $ 19,661 | $ 24,390 | $ 23,679 | $ 25,608 | $ 25,943 | $ 28,628 | $ 30,294 |
| 20,946 | 17,908 | 22,743 | 20,694 | 22,691 | 22,362 | 29,363 | 31,562 |
| 23,907 | 23,464 | 29,305 | 31,579 | 30,990 | 32,411 | 29,838 | 30,780 |
| 25,063 | 27,384 | 34,914 | 35,805 | 46,457 | 48,803 | 48,638 | 53,523 |
| $ 16,271 | $ 15,515 | $ 19,737 | $ 18,555 | $ 20,255 | $ 20,086 | $ 23,241 | $ 24,771 |
| 18,798 | 15,356 | 20,069 | 17,541 | 18,910 | 18,449 | 26,604 | 28,774 |
| 13,438 | 13,030 | 15,893 | 15,928 | 15,229 | 14,733 | 15,478 | 15,180 |
| 18,346 | 15,743 | 28,607 | 26,560 | 37,555 | 38,746 | 41,038 | 46,182 |
| 33,140 | 34,811 | 43,323 | 50,248 | 51,082 | 56,030 | 54,517 | 49,903 |
| 22,599 | 25,137 | 26,734 | 29,727 | 34,088 | 37,386 | 42,191 | 36,480 |
| 34,587 | 35,852 | 49,882 | 55,529 | 61,867 | 67,584 | 69,237 | 65,520 |
| 22,034 | 28,004 | 33,796 | 36,707 | 51,188 | 61,766 | 59,723 | 54,402 |
| 56.1 | 57.7 | 58.6 | 54.3 | 64.2 | 66.9 | 62.4 | 62.2 |
| 26.24% | 30.60% | 24.34% | 29.95% | 21.80% | 27.68% | 19.43% | 23.30% |
| $ 24,897 | $ 24,051 | $ 23,559 | $ 29,877 | $ 20,984 | $ 28,400 | $ 26,408 | $ 31,897 |
| 4.32% | 11.76% | 4.67% | 12.47% | 4.84% | 11.14% | 6.13% | 11.57% |
| $ 2,417 | $ 6,340 | $ 3,146 | $ 8,734 | $ 3,689 | $ 8,644 | $ 5,448 | $ 10,959 |

# What Balance Sheet Ratios Show

**A Statement of Financial Position**

A balance sheet (statement of financial position) shows your assets, liabilities and shareholders' equity at a particular point in time. Shareholders' equity is the difference between assets and liabilities.

To many business managers, balance sheets are foreign and abstract. However, situations involving a printing company's financial position arise often enough that a good manager should have some understanding of the balance sheet and how it relates to company operations.

Your balance sheet is a clear indicator of your operational capability. With it, you can determine, for example:

- Sales per dollar of assets employed
- Sales and/or Value Added per dollar of gross plant investment employed
- Sales as a ratio to current assets
- Payroll as a percentage of factory assets.

These are only a few examples of the relationship between your balance sheet and operations. There are many more.

It is very important that your balance sheet reflects financial strength. Some say that doing business with other people's money, called "trading on equity" is good business. This is rarely true. If your current ratio is diminished by too much debt, the assets you need in the form of inventory, cash, etc. will not be available when you need them. Also, if you are working with an excessive amount of other people's money, a demand for repayment in cash can prevent you from investing current assets profitably in your business. It can prevent you from buying and discounting, and can affect your credit from financial institutions which, in turn, can deny you the purchase of fixed assets. Using a maximum of other people's money may look good on paper, but by doing so, you may never get to where you want to go.

In essence, of your total assets, 25 to 30 percent should be funded by current debt, about 20 percent by long-term debt, and the remaining 50 percent or so conservatively funded by shareholders' equity.

**Analysis of Current Position**

Proper makeup of your balance sheet is absolutely essential to profitable operations. The trading cycle, or flow of current assets, can be described as follows: a company starts with cash, and then purchases raw materials. An order requires that the cash and materials go into work in process inventory. When the job is finished, the work in process inventory becomes accounts receivable. Finally, the accounts receivable are converted back into cash and the cycle starts anew.

Therefore, let's start with an analysis of your working capital:

| | Percent of Current Assets | |
|---|---|---|
| | All Firms | Profit Leaders |
| Cash | 12.22% | 18.50% |
| Receivables | 55.69 | 50.64 |
| Inventories | 24.13 | 21.14 |
| Other current assets | 7.96 | 9.72 |
| | 100.00 | 100.00 |

Although the above table ignores the absolute amounts involved, which are significant, it appears that Profit Leaders have proportionately more cash and less receivables and inventory.

The current ratio is a key part of determining the adequacy of working capital. Current ratio is defined as:

| | Current Ratio | |
|---|---|---|
| | All Firms | Profit Leaders |
| Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ | 1.79 | 2.31 |

This is the most widely used ratio to test liquidity and debt-paying ability. In general, a ratio of 2.00 is assumed to be satisfactory. In the past, many firms functioned well with a lower ratio, but this is changing as companies are forced into longer conversion periods for inventories and longer collection periods for accounts receivable.

Current ratio may be improved by:

- Repaying current debt
- Converting current debt into long-term debt
- Converting non-current assets into current assets.

The quick ratio, sometimes called the acid test, is another analysis of working capital. It is determined by excluding inventories, which are least liquid assets, from current assets.

| | Quick Ratio | |
|---|---|---|
| | All Firms | Profit Leaders |
| $\frac{\text{Current Assets Less Inventory}}{\text{Current Liabilities}}$ | 1.36 | 1.82 |

The minimum rule of thumb is a quick ratio of 1:1. Above, the ratio for "All Firms" is 1.36 and for "Profit Leaders," 1.82. In the quick ratio, you are looking to current assets for an immediate or near-term liquidation of current liabilities. Therefore, a qualitative review of current assets should be made to determine the realization point. For example, you may want to eliminate other current assets which may appear to be liquid but whose maturities are such that they should not be considered current assets for this purpose. A special caution here is that when inventories are very high, companies should check to see if there are sufficient funds with which to pay current liabilities.

**Inventories**

Inventories today require a more qualitative analysis than ever before. Partly, this is due to the fact that printers have to keep on inventory a greater quantity of paper. Today's turnaround time — from the time an order for paper is placed to the time the paper is on the floor — is so long that one may actually not complete a sale.

The second reason for a careful qualitative analysis of inventory is that the average printer has about half a month's sales in work in process inventory. This amount increases or decreases, depending on the market and process, but nevertheless, remains substantial. We have already determined that inventory represents 24.13 percent of current assets for "All Firms" and 21.14 percent for "Profit Leaders." In our analysis of current assets above, other helpful ratios are:

| | All Firms | Profit Leaders |
|---|---|---|
| $\frac{\text{Inventory}}{\text{Net Working Capital}}$ = | 0.55 | 0.37 |

Net working capital is current assets less current liabilities.

| | All Firms | Profit Leaders |
|---|---|---|
| $\frac{\text{Sales}}{\text{Average Inventory}}$ = | 14.33 turnover | 15.70 turnover |

This is not a true ratio of inventory turnover; a more accurate one would be:

$$\frac{\text{Materials used to manufacture product}}{\text{Average chargeable materials inventory}} = \text{Number of inventory turnovers per year}$$

$$\frac{\text{365 days}}{\text{Number of inventory turnovers per year}} = \text{Average number of days inventory}$$

$$\frac{\text{Cost of product produced}}{\text{Average work in process inventory}} = \text{Work in process turnover}$$

$$\frac{\text{365 days}}{\text{Work in process turnover}} = \text{Average number of days work in process}$$

The ratio of current debt to inventory determines the amount of equity that short-term creditors have in inventory.

| | | All Firms | Profit Leaders |
|---|---|---|---|
| $\frac{\text{Current Liabilities}}{\text{Average Inventory}}$ | = | 231% | 205% |

### The Source of Funds

The balance sheet appears as follows:

| Assets | Source of Assets |
|---|---|
| Current assets | Current liabilities |
| Fixed assets | Long-term liabilities |
| Other assets | Shareholders' equity |

Assets are the funds we employ; they come from current liabilities, long-term debt and shareholders' equity. The proper makeup of these different kinds of assets is vitally important to an adequate balance sheet. An understanding of the different kinds of assets and their proportional relationship becomes critical as a printing business expands and, in particular, as new equipment is purchased. Although you may fund part of your current assets from current debt, a greater part should be funded by long-term debt and shareholders' equity.

Analysis of funding assets is as follows:

| | | All Firms | Profit Leaders |
|---|---|---|---|
| $\frac{\text{Current Liabilities}}{\text{Assets}}$ | = | 32.19% | 25.71% |
| $\frac{\text{Long-Term Liabilities}}{\text{Assets}}$ | = | 25.63% | 19.41% |
| $\frac{\text{Shareholders' Equity}}{\text{Assets}}$ | = | 42.18% | 54.88% |

Our conclusion is that "All Firms" are well financed, but "Profit Leaders" are better financed. The "All Firms" ratios, however, are not substandard.

We often hear the term "debt to equity" ratio. This is computed as follows:

| | | All Firms | Profit Leaders |
|---|---|---|---|
| $\frac{\text{Total Debt (Current + Long-Term Liabilities)}}{\text{Shareholders' Equity}}$ | = | 1.37 | 0.82 |

"All Firms" have 37 percent more debt than equity. On the other hand, "Profit Leaders" have 18 percent less debt than equity. This indicates that, in essence, printing firms should maximize shareholders' equity as a source of funds and maximize long-term debt as a source of debt.

### Flow of Funds

The following ratios indicate a flow of funds, they include factors from both the operating statement and the balance sheet and give us a perspective of both.

The first ratio is profit as a percentage of working capital. It is computed as a percentage of working capital (current assets) and as a percentage of net working capital (current assets less current liabilities).

| | All Firms | Profit Leaders |
|---|---|---|
| Working Capital: | | |
| $\frac{\text{Income Before Taxes}}{\text{Current Assets}}$ | 16.64% | 39.63% |
| Net Working Capital: | | |
| $\frac{\text{Income Before Taxes}}{\text{Current Assets - Current Liabilities}}$ | 37.66% | 69.91% |

You can see from these ratios the effect that profit has on working capital. (Working capital is income before taxes although, in the real world, income taxes would necessarily reduce this amount.) If we could produce a "statement of changes," this income would flow directly into working capital. It would not be used to fund a long-term liability or the acquisition of other assets.

These ratios can be further refined to include depreciation as a source of funds. Although depreciation and amortization are charges on the operating statement, they are not applications of funds. An application of funds is made at the time of purchase, and generally accepted accounting principles provide a systematic write-off of the assets over their estimated useful lives.

| | All Firms | Profit Leaders |
|---|---|---|
| Working Capital: | | |
| $\frac{\text{Income Before Taxes + Depreciation}}{\text{Current Assets}}$ | 27.45% | 49.74% |
| Net Working Capital: | | |
| $\frac{\text{Income Before Taxes + Depreciation}}{\text{Current Assets - Current Liabilities}}$ | 62.10% | 87.74% |

### Effect of Growth on the Balance Sheet

The balance sheet shows the financial structure in which a printing company is contained. Thus, there is a limit to the growth it will sustain. Assume the purchase of a $500,000 press. As a result:

- — Cash will be reduced by a down payment of, say, $75,000.
- — Fixed assets will increase by $500,000.
- — Current liabilities will increase to the extent of the related note payable that matures in the next 12 months.
- — Long-term liabilities will increase by the amount of the remainder of the note payable for the purchase of the equipment.
- — If we assume a 140 percent relationship of sales to fixed asset investment, we can anticipate an increase of $700,000 in sales.
- — These new sales will require about $50,000 in inventory, which includes raw materials and work in process.
- — As there will be a 60-day collection period, you will have approximately $117,000 in accounts receivable.

Looking at a *pro forma* balance sheet, the changes are:

| | | |
|---|---|---|
| Cash | – | $ 75,000 |
| Accounts Receivable | + | 117,000 |
| Inventory | + | 50,000 |
| Machinery | + | 500,000 |
| Current Note Payable | + | 95,000 |
| Long-Term Note Payable | + | 330,000 |

Any changes to produce growth, must be related to your balance sheet. A great deal of forethought must be given to determine whether the balance sheet can house that growth adequately. To think about it after the fact is too late.

# Balance Sheet

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **ASSETS** | | | | | | |
| **CURRENT ASSETS** | | | | | | |
| Cash | 7.05% | 10.98% | 8.14% | 12.38% | 10.41% | 13.30% |
| Receivables | 32.12 | 30.06 | 26.49 | 27.68 | 30.69 | 33.30 |
| Inventories | 13.92 | 12.55 | 9.64 | 8.79 | 10.62 | 7.21 |
| Other current assets | 4.59 | 5.77 | 4.71 | 7.11 | 4.36 | 6.76 |
| **TOTAL CURRENT ASSETS** | **57.68** | **59.36** | **48.98** | **55.96** | **56.08** | **60.57** |
| **FIXED ASSETS** | | | | | | |
| Real estate | 9.59 | 10.47 | 8.44 | 5.00 | 7.19 | 9.17 |
| Less: Accumulated depreciation | 2.73 | 2.75 | 2.19 | 1.34 | 2.08 | 2.60 |
| | 6.86 | 7.72 | 6.25 | 3.66 | 5.11 | 6.57 |
| Machinery and equipment | 61.44 | 54.06 | 65.75 | 57.14 | 75.14 | 60.35 |
| Less: Accumulated depreciation | 33.48 | 28.41 | 30.51 | 26.76 | 43.31 | 34.00 |
| | 27.96 | 25.65 | 35.24 | 30.38 | 31.83 | 26.35 |
| Other fixed assets | 6.88 | 6.16 | 9.31 | 9.67 | 8.70 | 5.01 |
| Less: Accumulated depreciation | 3.43 | 2.93 | 3.64 | 1.87 | 4.87 | 2.45 |
| | 3.45 | 3.23 | 5.67 | 7.80 | 3.83 | 2.56 |
| **NET FIXED ASSETS** | 38.27 | 36.60 | 47.16 | 41.84 | 40.77 | 35.48 |
| **OTHER ASSETS** | 4.05 | 4.04 | 3.86 | 2.20 | 3.15 | 3.95 |
| **TOTAL ASSETS** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** |
| **LIABILITIES AND EQUITY** | | | | | | |
| **CURRENT LIABILITIES** | | | | | | |
| Notes payable | 8.50 | 5.41 | 9.82 | 10.97 | 7.97 | 3.80 |
| Accounts payable | 14.35 | 10.85 | 14.58 | 9.77 | 15.12 | 11.07 |
| Other current liabilities | 9.34 | 9.45 | 6.88 | 7.10 | 8.48 | 10.03 |
| **TOTAL CURRENT LIABILITIES** | 32.19 | 25.71 | 31.28 | 27.84 | 31.57 | 24.90 |
| **LONG-TERM LIABILITIES** | 25.63 | 19.41 | 34.49 | 27.02 | 30.67 | 23.07 |
| **TOTAL LIABILITIES** | 57.82 | 45.12 | 65.77 | 54.86 | 62.24 | 47.97 |
| **SHAREHOLDERS' AND PROPRIETORS' EQUITY** | 42.18 | 54.88 | 34.23 | 45.14 | 37.76 | 52.03 |
| **TOTAL LIABILITIES AND EQUITY** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** |

# Balance Sheet Ratios

| | | | | | | |
|---|---|---|---|---|---|---|
| CURRENT RATIO | 1.79 | 2.31 | 1.57 | 2.01 | 1.78 | 2.43 |
| QUICK RATIO | 1.36 | 1.82 | 1.26 | 1.69 | 1.44 | 2.14 |
| TOTAL LIABILITIES TO EQUITY | 1.37 | 0.82 | 1.92 | 1.22 | 1.65 | 0.92 |
| LONG-TERM LIABILITIES TO EQUITY | 0.61 | 0.35 | 1.01 | 0.60 | 0.81 | 0.44 |
| ACCUMULATED DEPRECIATION – MACHINERY AND EQUIPMENT TO TOTAL MACHINERY & EQUIPMENT | 0.54 | 0.53 | 0.46 | 0.47 | 0.58 | 0.56 |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 8.48% | 14.22% | 6.45% | 11.25% | 6.38% | 10.99% | 3.01% | 3.90% |
| 33.46 | 30.32 | 32.93 | 29.55 | 31.61 | 29.33 | 30.75 | 30.34 |
| 12.58 | 9.73 | 14.50 | 14.20 | 16.06 | 14.14 | 17.43 | 16.35 |
| 4.63 | 5.51 | 4.52 | 6.17 | 4.23 | 4.27 | 5.28 | 5.69 |
| **59.15** | **59.78** | **58.40** | **61.17** | **58.28** | **58.73** | **56.47** | **56.28** |
| 6.34 | 7.68 | 10.05 | 10.78 | 13.17 | 14.08 | 14.06 | 12.87 |
| 1.71 | 1.63 | 3.09 | 3.24 | 3.37 | 3.34 | 3.97 | 3.33 |
| 4.63 | 6.05 | 6.96 | 7.54 | 9.80 | 10.74 | 10.09 | 9.54 |
| 63.47 | 54.55 | 60.49 | 54.60 | 53.64 | 47.79 | 54.40 | 53.58 |
| 35.28 | 27.41 | 33.34 | 30.83 | 28.62 | 25.55 | 27.58 | 24.75 |
| 28.19 | 27.14 | 27.15 | 23.77 | 25.02 | 22.24 | 26.82 | 28.83 |
| 7.46 | 6.11 | 7.25 | 7.39 | 5.28 | 5.93 | 3.46 | 3.21 |
| 3.63 | 3.06 | 3.78 | 3.95 | 2.54 | 2.78 | 1.47 | 1.56 |
| 3.83 | 3.05 | 3.47 | 3.44 | 2.74 | 3.15 | 1.99 | 1.65 |
| 36.65 | 36.24 | 37.58 | 34.75 | 37.56 | 36.13 | 38.90 | 40.02 |
| 4.20 | 3.98 | 4.02 | 4.08 | 4.16 | 5.14 | 4.63 | 3.70 |
| **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** |
| 9.07 | 4.94 | 8.92 | 5.30 | 7.52 | 3.46 | 6.83 | 7.18 |
| 15.30 | 10.07 | 13.78 | 11.68 | 14.54 | 10.37 | 13.09 | 11.01 |
| 7.63 | 5.91 | 10.48 | 11.14 | 10.09 | 10.08 | 10.42 | 10.64 |
| 32.00 | 20.92 | 33.18 | 28.12 | 32.15 | 23.91 | 30.34 | 28.83 |
| 24.96 | 21.56 | 25.51 | 18.39 | 22.56 | 17.22 | 22.58 | 15.35 |
| 56.96 | 42.48 | 58.69 | 46.51 | 54.71 | 41.13 | 52.92 | 44.18 |
| 43.04 | 57.52 | 41.31 | 53.49 | 45.29 | 58.87 | 47.08 | 55.82 |
| **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** | **100.00** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1.85 | 2.86 | 1.76 | 2.18 | 1.81 | 2.46 | 1.86 | 1.95 |
| 1.46 | 2.39 | 1.32 | 1.67 | 1.31 | 1.86 | 1.29 | 1.39 |
| 1.32 | 0.74 | 1.42 | 0.87 | 1.21 | 0.70 | 1.12 | 0.79 |
| 0.58 | 0.37 | 0.62 | 0.34 | 0.50 | 0.29 | 0.48 | 0.27 |
| 0.56 | 0.50 | 0.55 | 0.56 | 0.53 | 0.53 | 0.51 | 0.46 |

# Return on Investment

Return on Investment (ROI) refers to the capital used to produce income. Mathematically, it is:

$$\frac{\text{Income}}{\text{Assets}} = \text{Return on Investment (ROI)}$$

**ROI-1982 Ratios: All Firms - 8.37%; Profit Leaders - 17.23%**

Return on Investment (ROI) is the most comprehensive measure of profitability. The only difference of opinion in this area is whether net assets or gross assets should be used to compute ROI (see discussion on page 28).

ROI is a very simple computation, analogous to figuring simple interest, or, in introducing a time element involving alternate decisions and capital expenditures, or compound interest.

The ROI concept is gaining more and more acceptance as a measure of profitability in printing companies. This is due to the fact that printing is a capital intense industry and printing firms generally have high fixed assets against which their profit performance is measured.

The importance of ROI is evident from its history in the printing industry. Since ROI was introduced in the 1967 PIA Ratio Books, the Individual Computer Printout has been expanded to include ROI, an entire annual PIA financial meeting has been devoted to the concept, and PIA conducted a special historical case study on ROI. This study revealed a decline in investment turnover and showed the effect of this on the ROI rate when there is not a corresponding increase in profit as a percentage of sales.

PIA has remained a strong advocate of the ROI concept and consistently urges its adoption through continuing education.

### Defining Return on Investment

As stated above, ROI can be expressed simply as:

$$\frac{\text{Income}}{\text{Assets}} = \text{Return on Investment}$$

This ratio produces, as a percentage, an annual rate of return on assets used to produce income. It is the same as an annual interest rate that one would receive on a bond or other type of investment.

The simple ROI formula is a reduction of the following ratios:

$$\frac{\text{Income}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Assets}} = \text{ROI}$$

The first fraction is income as a percentage of sales shown on pages 14 and 15 of this study. It is a hard number, therefore, if you want to improve your ROI, it is this percentage to which you must pay particular attention. We will discuss this further under the heading "Return-on-Investment Dilemma."

The second fraction is called "investment turnover" or "asset turnover." The term "investment" in this context refers to assets used to produce more earnings.

The "sales" in the denominator of the term "income as a percentage of sales" and the "sales" in the numerator of the term "investment turnover" can be cancelled. We have already done this in order to obtain the simple expression "Income over Assets." However, it is still best to think of these two fractions as dynamic elements in ROI management.

Here is an example of the ROI computation:

| | |
|---|---|
| Sales | $1,000,000 |
| Profit Before Taxes | 120,000 |
| Assets | 500,000 |

$$\frac{\$120{,}000 \text{ Income}}{\$1{,}000{,}000 \text{ Sales}} \times \frac{\$1{,}000{,}000 \text{ Sales}}{\$500{,}000 \text{ Assets}} = \text{ROI}$$

$$12\% \times 2 = 24\% \text{ ROI}$$

**In the PIA Ratios, income is . . .**

. . . income *before* interest expense, other income and taxes.

**Assets are . . .**

. . . gross assets employed *before* deduction of accumulated depreciation and amortization.

As these are not necessarily commonly used definitions, we will discuss other concepts as well.

### Alternate Concepts

**Net Profit Before Taxes.** Our terminology refers to income as income before interest, other income and taxes. Most published studies base Return on Investment on after-tax profit. The reasoning is that taxes are expenses, just like any other expenses.

However, for our purposes, computing Return on Investment before taxes provides a standard which everyone can easily use. The amount of tax is different for almost everyone since:

- The normal tax rate is different at different income levels.
- Investment credits, new-job tax credits and other credits can produce substantially different net taxes.
- This year's tax may be reduced by a net operating loss carryforward.
- Most taxpayers use accelerated depreciation methods for tax purposes, and straight-line for financial purposes.

The tax on profits may vary widely from situation to situation. Thus, if Return on Investment is to be of practical use, computing it on profit before taxes is the more valid standard.

**Interest Expense, Non-Operating Income and Expense.** By using profit before interest expense, we are able to compare the Return on Investment before an interest charge vs the cost of capital, which is an interest charge.

For example, if your return on investment is 25 percent and your cost of interest is 17 percent, it pays to borrow funds which will produce a greater return. By the same token, it would not pay to borrow funds at an interest rate greater than your ROI. You can see that, if interest were deducted from profit, it would not be valid to compare your return on investment with the cost of capital to determine whether a ROI decision is valid.

Non-operating income and expenses normally are excluded from our calculations. It is important that you remove non-operating assets from your investment figure as well.

### Depreciation

Since accumulated depreciation is not deducted from fixed assets in arriving at total investment or assets, there are some proponents of the theory that depreciation not be deducted from income for ROI purposes. This concept is not too strongly advocated.

Some printers, for financial reasons, compute depreciations by accelerated depreciation methods. This produces higher depreciation in the early years of an asset's life than does the straight-line method. Where accelerated depreciation is used, the excess depreciation should be added back to profit in order to compute your ROI.

### Valuation of Assets

We can consider four different asset-valuation bases:

- **Gross Assets at Book Value** - Assets are at their original cost without deduction for accumulated depreciation.
- **Net Book Value** - Assets are valued at original cost less accumulated amortization and depreciation.
- **Replacement Value** - This is the same as Gross Assets, but adjusted for the increase in their replacement cost.

- **Market or Actual Cash Value** - Similar to Net Book Value, but asset costs have been changed to reflect replacement cost less the proportional accumulated depreciation.

All of these variations present ways of valuing fixed assets. Each approach has considerable merit. The Replacement Value and the Replacement Value less Accumulated Depreciation are approaches you may want to use on your own as they can be very meaningful depending on your circumstances and objectives. In these PIA Ratio Studies, however, we are limited to determining ROI by Gross Assets at cost and Net Book Value.

### Return on Investment Dilemma

Since ROI is computed by multiplying "income as a percentage of sales" by the "investment turnover," it would appear that we could increase our ROI by one or the other factor, or both. This is true, but first a little background is necessary. We will limit our statistics to the Profit Leaders.

The investment turnover for Profit Leaders in this year's Ratio Study is 141.56 percent. This means that these firms achieved $1.42 in sales for each $1.00 of assets employed. Let's look at the historical record of investment turnover.

| | |
|---|---|
| This year | 141.56% |
| 1981 | 142.49 |
| 1980 | 141.42 |
| 1979 | 138.31 |
| 1978 | 141.33 |

Throughout these years, investment turnover has remained fairly steady. This has been true for all participants. At the same time, however, a specific printing company that acquires substantial new equipment is likely to show a decline in investment turnover. This is caused by the capital intensity of printing equipment. Therefore, to maintain a fair return on investment, profit as a percentage of sales has to be increased. This can best be explained with an example:

| | Old | New |
|---|---|---|
| Equipment | $50,000 | $200,000 |
| Investment Turnover | 200% | 140% |
| Desired Return on Investment | 20% | 20% |

Return on Investment = Investment Turnover x Profit as % of Sales.

| | | | | | Profit Needed |
|---|---|---|---|---|---|
| ROI | = | $\frac{\text{Sales}}{\text{Assets}}$ | x | $\frac{\text{Income}}{\text{Sales}}$ | |
| Old 20% | = | $\frac{100,000}{50,000}$ | x | $\frac{10,000}{100,000}$ | 10% |
| New 20% | = | $\frac{280,000}{200,000}$ | x | $\frac{40,000}{280,000}$ | 14.3% |

To maintain the desired 20 percent Return on Investment, one would need a profit of 14.3 percent profit on sales with the new equipment, as opposed to a 10 percent profit on sales with the old equipment.

There are two traps to avoid in the area of Return on Investment:

1. When you increase the assets you employ, you must also increase your profit as a percentage of sales to maintain a fair return on investment. If you don't, you risk having a diminished Return on Investment.

2. Your new selling price with a higher profit mark-up may still be lower than your price using the old equipment. The new equipment should produce a lower unit selling price despite the higher cost rates and higher required margin. If this were not true, there would be no economic justification for replacing old (less capital intense) with new (more capital intense) equipment.

In conclusion, concentrate on profit as a percentage of sales. Moreover, don't let this profit percentage be trite. Let it vary with the intensity of assets employed. And remember, make every effort to maximize investment turnover.

### Turnover

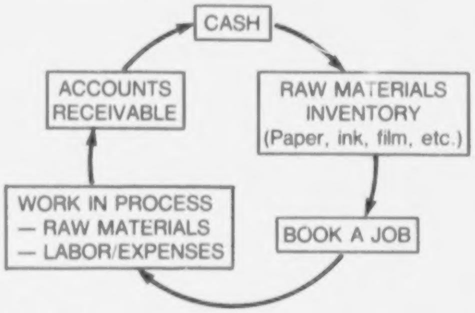
Throughout this discussion, we have emphasized the printing industry's low Return on Investment; this year the average for "All Firms" was only 8.37 percent. A key factor in this poor profit performance is the ***failure to maximize turnover*** in the capital cycle.

Turnover is defined as the period of time that it takes to complete the entire capital cycle. It is computed as:

| | Turnover | |
|---|---|---|
| | All Firms | Profit Leaders |
| $\frac{\text{Cost of Goods Sold}}{\text{Working Capital}}$ | 2.66 | 2.34 |

Significantly, optimum turnover provides a maximum of profit with use of a minimum of assets - thus it yields a maximum Return on Investment.

The capital cycle is simply a series of sequential conversions - cash to inventories to accounts receivable and back to cash. For printers, schematically this cycle is as follows:


CASH
RAW MATERIALS INVENTORY (Paper, ink, film, etc.)
BOOK A JOB
WORK IN PROCESS — RAW MATERIALS — LABOR/EXPENSES
ACCOUNTS RECEIVABLE

The cycle starts with your cash, a portion of which goes into materials inventory. When you book a job, you use additional cash for raw materials, labor and other expenses (work in process inventory). Then, the completed job moves into accounts receivable. Finally, accounts receivable are converted back to cash - hopefully, more cash than you had in the beginning.

By minimizing the required time in each step of the cash cycle, you affect more cycles per year - and more profit is generated with a given commitment of funds. Thus you are maximizing your return on investment.

Optimizing your turnover is in keeping with sound accounting principles, but appears to be in conflict with some printers' practices. Too often, production, estimating and sales seek extra time to do a job - even though the faster the job is done, the better the turnover position. If management is to improve its return on investment, it must insist that the capital cycle be completed as quickly as possible.

Here is a situation that illustrates a common mistake among printers that reduces turnover and, in turn, their return on investment: a printer instructed his sales people that the longer the time from the date of an order to its delivery, the greater the discount to the purchaser.

This policy is contrary to improving turnover and achieving a better return on investment. With a lower selling price, it is equivalent to "heads you win and tails I lose." Both aspects are contrary to your objective.

However, such a printing policy does enable printers to accomplish two things: (1) it permits smoothing out production since delaying a job provides greater scheduling flexibility, and (2) printers can book a lot of business that they would not otherwise have.

Despite these factors, though, the end result of this policy will be a lower Return on Investment.

### Cash Turnover

How quickly you complete the capital cycle depends on how much cash you have in the beginning. Neither too much nor too little is desirable. For example, if $100,000 is the right amount and you have more than that, the following three things are likely to occur:

1. Your cash will not turn over; it will just lay in place.
2. It will finance higher inventories (less inventory turnover) or go into other operating assets in higher amounts than are necessary.
3. It may actually slow your receivable collections. When you don't appear to need cash, you are less strict about collections.

$$\frac{\text{Sales}}{\text{Average Cash Balance}} = \text{Cash Turnover}$$

| | All Firms | Profit Leaders |
|---|---|---|
| Cash Turnover | 29 times | 17 times |

**Inventory Turnover**

You have three basic types of inventories that require analysis:

1. Departmental Supplies
2. Chargeable Materials (paper, ink, film, plates and others)
3. Work in Process

The above is an important part of the capital cycle. On page 22, under "Analysis of Current Position", inventories represent 24.13 percent (All Firms) and 21.14 percent (Profit Leaders) of working capital.

**Departmental Supplies.** Although not an important factor in the capital cycle, departmental supplies should not be ignored. The level of supplies should be controlled to minimize your capital investment, while meeting your need for uninterrupted production.

$$\frac{\text{Departmental Supplies Used}}{\text{Average Departmental Inventory}} = \text{Supplies Turnover}$$

**Chargeable Materials** represent a much more substantial part of inventory turnover. Your turnover improves when you optimize inventory levels and reduce the storage time of materials (primarily paper) prior to production.

$$\frac{\text{Paper Used}}{\text{Average Paper Inventory}} = \text{Paper Inventory Turnover}$$

$$\frac{\text{Other Chargeable Materials Used}}{\text{Average Other Chargeable Materials Inventory}} = \text{Other Chargeable Inventory Turnover}$$

**Work in Process.** This offers the greatest opportunity to improve turnover. The faster a job is shipped out of your plant, the greater your profit potential and the more beneficial the effect on your capital position. You profit in two ways: you spend less time on a job and tie up less cash in inventory. At any one time, work in process may represent up to two months in sales. This should be ample incentive to shorten your work in process time in every way possible.

$$\frac{\text{Cost of Product Produced}}{\text{Average Work in Process Inventory}} = \text{Work In Process Turnover}$$

**Accounts Receivable Turnover** is the time between billing and collection. According to this Ratio Study, the collection period for "All Firms" is 57.7 days. Clearly, this period is too long; it can be reduced by tightening credit and collection procedures. You may lose some accounts but, in my experience, you will profit in the long run by shortening your collection period.

$$\frac{\text{Sales}}{\text{Average Accounts Receivable}} = \text{Accounts Receivable Turnover}$$

**Wasted Time**

Our diagram of the capital cycle shows no step between work-in process and the job's conversion to accounts receivable. Too often, there is an intermediate step which we call ***"Wasted Time." This is the period between the time a job is finished and it is billed.***

Over the years, I think I have heard every possible reason for not billing a job as soon as it is finished - incomplete cost records, bills to come from suppliers, and many other excuses. As an accountant, I must call these excuses and not reasons. None are valid reasons for delayed billings. This is one expense you do not need and can easily avoid.

**Net Assets vs Gross Assets**

In comparing Return on Investment computed on Gross vs Net Assets, we find that each produces substantially different results. For a number of years, the PIA Ratio Study has been computing ROI based on Gross Assets. This is the so-called DuPont method, which has the advantage of alerting management to a decreasing Return on Investment and the need for equipment replacement.

Under the Net Asset method, a higher Return on Investment may justify continued investment in existing equipment mainly because of lower book value. The Gross Asset basis has its purpose, but is not as accurate as the Net Book Value.

The Return on Investment based on Net Assets is computed as follows:

$$\frac{\text{Income Before Taxes, Interest, and Other Income or Expense}}{\text{Assets Less Accumulated Depreciation}}$$

**For "All Firms," this is 18.05 percent; for "Profit Leaders," 32.68 percent.**

This method may produce a more valid operational Return on Investment, and a more accurate interest computation.

**What Is a Fair ROI?**

The "All Firms" ROI of 8.37 percent on gross assets and 18.05 percent on net assets is hardly adequate to justify investment. The "Profit Leaders" ROI is 17.23 percent on gross assets and 32.68% on net assets. The high-profit companies appear to achieve an ROI more commensurate with the economic risk.

The printing industry presents substantial risk and, therefore, the return related to that risk should be substantially higher than prevailing interest rates. Thus, your ROI should exceed 20 percent on a new-asset venture, or 30 percent on net assets.

**Your Ultimate Goal: Thinking ROI**

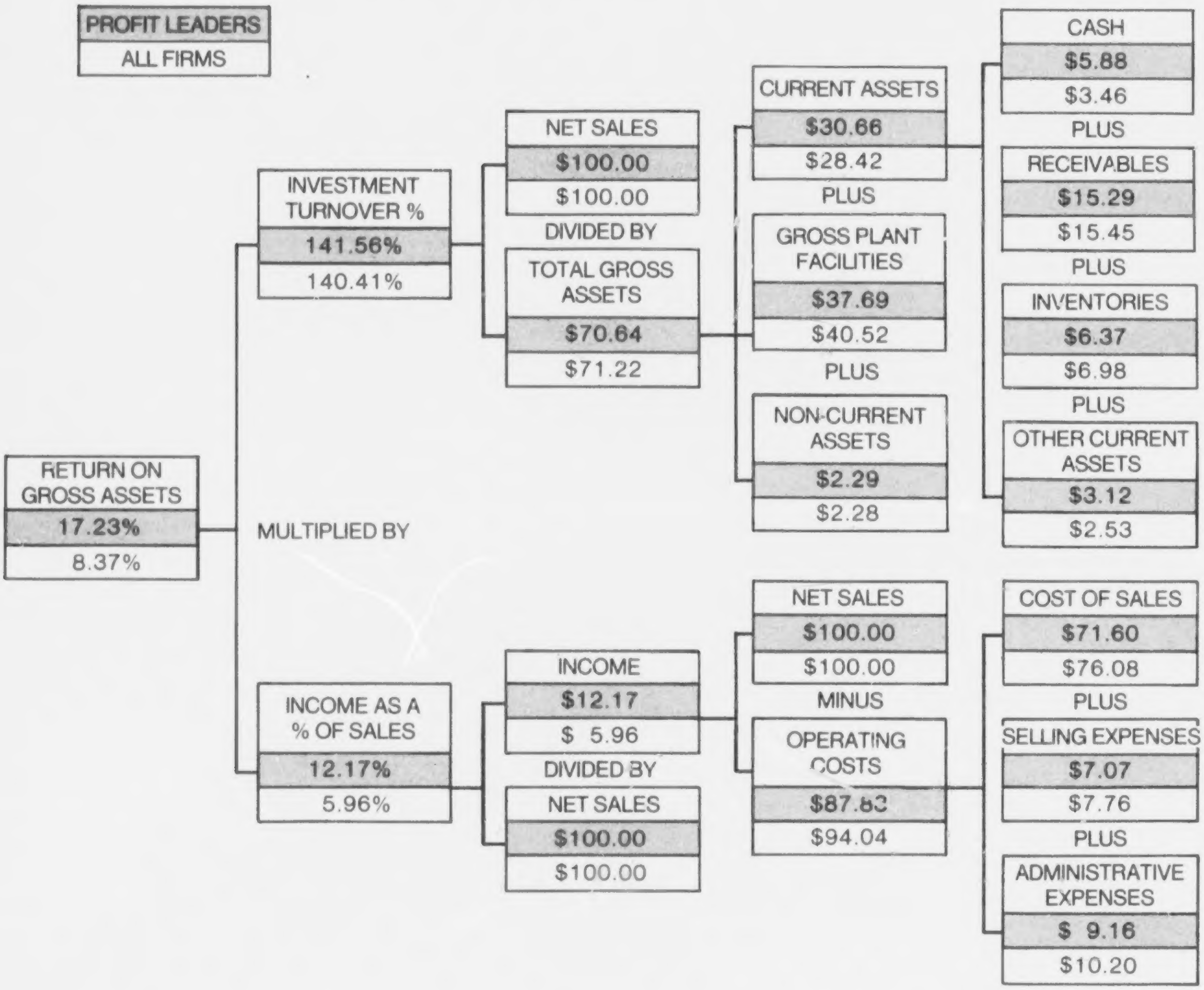
Thinking ROI is like working backwards. Thus, a competent printing manager might plan along these lines:

| | | | |
|---|---|---|---|
| 1. | Capital to be employed | | $400,000 |
| 2. | Desired ROI: 20 percent of capital employed | | 80,000 |
| 3. | Sales to be achieved from new assets employed: 140 percent | | 560,000 |
| 4. | Required profit as a percentage of sales: | $\frac{\$\ 80,000}{\$560,000}$ = | 14.3% |

This example shows that you must strive for a 14.3 percent profit on sales to produce a 20 percent ROI on the capital you employ. Think ROI — and profit.

# Return on Investment (ROI) Chart — All Printers

RETURN ON INVESTMENT CHART—BASE: $100 OF SALES


PROFIT LEADERS
ALL FIRMS
RETURN ON GROSS ASSETS
17.23%
8.37%
MULTIPLIED BY
INVESTMENT TURNOVER %
141.56%
140.41%
NET SALES
$100.00
$100.00
DIVIDED BY
TOTAL GROSS ASSETS
$70.64
$71.22
CURRENT ASSETS
$30.66
$28.42
PLUS
GROSS PLANT FACILITIES
$37.69
$40.52
PLUS
NON-CURRENT ASSETS
$2.29
$2.28
CASH
$5.88
$3.46
PLUS
RECEIVABLES
$15.29
$15.45
PLUS
INVENTORIES
$6.37
$6.98
PLUS
OTHER CURRENT ASSETS
$3.12
$2.53
INCOME AS A % OF SALES
12.17%
5.96%
INCOME
$12.17
$ 5.96
DIVIDED BY
NET SALES
$100.00
$100.00
NET SALES
$100.00
$100.00
MINUS
OPERATING COSTS
$87.83
$94.04
COST OF SALES
$71.60
$76.08
PLUS
SELLING EXPENSES
$7.07
$7.76
PLUS
ADMINISTRATIVE EXPENSES
$ 9.16
$10.20

# Return on Investment—Per $100 of Sales

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **INVESTMENT** | | | | | | |
| Current Assets: | | | | | | |
| Cash | $ 3.46 | $ 5.88 | $ 4.64 | $ 5.78 | $ 4.28 | $ 5.99 |
| Receivables | 15.45 | 15.29 | 13.94 | 11.00 | 13.04 | 13.93 |
| Inventories | 6.98 | 6.37 | 5.91 | 3.76 | 5.16 | 3.01 |
| Marketable securities | 0.92 | 1.58 | 0.13 | 0.04 | 0.74 | 1.60 |
| Other current assets | 1.61 | 1.54 | 2.30 | 3.43 | 1.61 | 1.71 |
| | 28.42 | 30.66 | 26.92 | 24.01 | 24.83 | 26.24 |
| Plant Investment: | | | | | | |
| Land and building | 6.94 | 6.33 | 26.76 | 3.74 | 4.89 | 5.07 |
| Machinery and equipment | 30.31 | 28.29 | 33.76 | 24.64 | 33.36 | 26.53 |
| Other fixed assets | 3.27 | 3.07 | 5.10 | 3.22 | 3.77 | 2.33 |
| | 40.52 | 37.69 | 65.62 | 31.60 | 42.02 | 33.93 |
| Non-Current Assets | 2.28 | 2.29 | 1.51 | 0.95 | 1.92 | 2.23 |
| **TOTAL INVESTMENT** | 71.22 | 70.64 | 94.05 | 56.56 | 68.77 | 62.40 |
| **INVESTMENT TURNOVER PER $100 OF SALES** | 140.41% | 141.56% | 106.33% | 176.80% | 145.41% | 160.26% |
| **EARNINGS** | | | | | | |
| Cost of Product | $76.08 | $71.60 | $76.76 | $69.66 | $75.49 | $73.29 |
| Selling Expenses | 7.76 | 7.07 | 5.14 | 4.00 | 5.59 | 4.70 |
| Administrative Expenses | 10.20 | 9.16 | 11.34 | 8.95 | 13.56 | 10.60 |
| | 94.04 | 87.83 | 93.24 | 82.61 | 94.64 | 88.59 |
| Income Before Interest, Other Income, and Taxes | 5.96 | 12.17 | 6.76 | 17.39 | 5.36 | 11.41 |
| **RETURN ON INVESTMENT – INVESTMENT TURNOVER x INCOME** | 8.37% | 17.23% | 7.19% | 30.75% | 7.79% | 18.29% |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 4.12 | $ 7.93 | $ 3.19 | $ 6.00 | $ 3.45 | $ 6.33 | $ 1.65 | $ 2.33 |
| 15.02 | 15.49 | 15.68 | 14.46 | 17.07 | 17.90 | 16.58 | 16.56 |
| 6.07 | 5.08 | 6.99 | 6.69 | 8.59 | 8.16 | 9.30 | 8.82 |
| 0.81 | 1.69 | 1.01 | 1.62 | 0.85 | 1.41 | 1.50 | 2.19 |
| 1.51 | 1.60 | 1.39 | 1.34 | 1.77 | 1.23 | 2.14 | 1.31 |
| 27.53 | 31.79 | 28.26 | 30.11 | 31.73 | 35.03 | 31.17 | 31.21 |
| 4.22 | 5.32 | 6.10 | 6.07 | 7.85 | 9.03 | 8.17 | 7.26 |
| 29.28 | 29.19 | 30.07 | 27.73 | 29.35 | 28.02 | 30.24 | 31.21 |
| 3.33 | 2.83 | 3.41 | 3.90 | 2.91 | 3.48 | 1.83 | 1.63 |
| 36.83 | 37.34 | 39.58 | 37.70 | 40.11 | 40.53 | 40.24 | 40.10 |
| 2.09 | 2.14 | 2.16 | 2.14 | 2.69 | 3.17 | 3.29 | 2.47 |
| 66.45 | 71.27 | 70.00 | 69.95 | 74.53 | 78.73 | 74.70 | 73.78 |
| 150.49% | 140.31% | 142.86% | 142.96% | 134.17% | 127.02% | 133.87% | 135.54% |
| $73.76 | $69.40 | $75.66 | $70.05 | $78.20 | $72.32 | $80.57 | $76.70 |
| 8.06 | 7.34 | 8.62 | 7.66 | 8.74 | 9.11 | 6.26 | 6.16 |
| 12.73 | 11.64 | 9.66 | 9.66 | 7.39 | 7.92 | 5.93 | 5.20 |
| 94.55 | 88.38 | 93.94 | 87.37 | 94.33 | 89.35 | 92.76 | 88.06 |
| 5.45 | 11.62 | 6.06 | 12.63 | 5.67 | 10.65 | 7.24 | 11.94 |
| **8.20%** | **16.30%** | **8.66%** | **18.06%** | **7.61%** | **13.53%** | **9.69%** | **16.18%** |

# Absolute Data

| | | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | NUMBER OF PARTICIPATING FIRMS | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL PRINTING FIRMS | 944 | $ 2,673,000 | $ 4,887,000 | $ 278,000 |
| TOTAL - PROFIT LEADERS* | 238 | 3,252,000 | 5,755,000 | 668,000 |
| BY SIZE OF FIRM: | | | | |
| ALL FIRMS | | | | |
| 0-$250,000 | 45 | 121,000 | 175,000 | 9,000 |
| $250,000-$500,000 | 95 | 175,000 | 370,000 | 15,000 |
| $500,000-$1,500,000 | 235 | 468,000 | 964,000 | 41,000 |
| $1,500,000-$5,000,000 | 348 | 1,473,000 | 2,895,000 | 133,000 |
| $5,000,000-$10,000,000 | 117 | 3,879,000 | 6,955,000 | 333,000 |
| Over $10,000,000 | 104 | 13,696,000 | 24,249,000 | 1,590,000 |
| PROFIT LEADERS | | | | |
| 0-$250,000 | 15 | 78,000 | 176,000 | 27,000 |
| $250,000-$500,000 | 24 | 178,000 | 388,000 | 49,000 |
| $500,000-$1,500,000 | 49 | 511,000 | 920,000 | 109,000 |
| $1,500,000-$5,000,000 | 75 | 1,447,000 | 2,756,000 | 340,000 |
| $5,000,000-$10,000,000 | 39 | 4,041,000 | 6,760,000 | 759,000 |
| Over $10,000,000 | 36 | 13,261,000 | 23,397,000 | 2,694,000 |

*"Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

**Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on Page 3.

A8740-1.2

**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# All Printers by Product Specialty

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA's Financial Ratio Studies. This year, a total of 944 firms representing various segments of the graphic arts industry in the United States and Canada participated in these studies by responding to PIA's questionnaire on financial performance. Among these respondents, 238 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the financial status of graphic arts firms according to product specialty -- for example, Commercial and Advertising, Magazine and Periodical, Newspaper, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms with the same product specialty in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company
H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| | | | % of Sales | |
|---|---|---|---|---|
| Firm | Sales | Factory Payroll | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |

62.2% divided by 3 = 20.7%

### What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

| | | |
|---|---|---|
| SALES | | $100 |
| LESS: MATERIALS | | |
| Paper | $22 | |
| Other chargeable materials | 6 | |
| Outside services | 7 | |
| | | 35 |
| VALUE ADDED | | $ 65 |

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

### "Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

### Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

## Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

## Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

## Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | | NEWSPAPER** |
|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 42.61 | 38.18 | 48.13 | 42.22 | 51.26 |
| FACTORY EXPENSES | 19.26 | 17.63 | 21.27 | 20.17 | 19.95 |
| TOTAL FACTORY COST OF PRODUCT | 61.87 | 55.81 | 69.40 | 62.39 | 71.21 |
| GROSS PROFIT | 38.13 | 44.19 | 30.60 | 37.61 | 28.79 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | | |
| Administrative expenses | 16.53 | 14.40 | 10.95 | 9.94 | 13.64 |
| Selling expenses | 12.71 | 11.23 | 8.43 | 8.24 | 4.62 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 29.24 | 25.63 | 19.38 | 18.18 | 18.26 |
| INCOME BEFORE INTEREST EXPENSE | 8.89 | 18.56 | 11.22 | 19.43 | 10.53 |
| Interest expense | 3.32 | 2.14 | 4.16 | 3.12 | 3.49 |
| OPERATING INCOME | 5.57 | 16.42 | 7.06 | 16.31 | 7.04 |
| Other income (expense) | 1.45 | 2.23 | 1.04 | 2.10 | 1.42 |
| INCOME BEFORE INCOME TAXES | 7.02 | 18.65 | 8.10 | 18.41 | 8.46 |

* See page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

| FINANCIAL | | CATALOG AND DIRECTORY | | TAG AND LABEL** | PACKAGING | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X | X |
| X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 47.18 | 44.94 | 41.47 | 39.46 | 44.34 | 44.99 | 43.87 |
| 16.43 | 11.46 | 19.98 | 18.69 | 19.40 | 19.75 | 15.15 |
| 63.61 | 56.40 | 61.45 | 58.15 | 63.74 | 64.74 | 59.02 |
| 36.39 | 43.60 | 38.55 | 41.85 | 36.26 | 35.26 | 40.98 |
| 12.06 | 10.91 | 13.03 | 9.84 | 15.88 | 14.40 | 9.68 |
| 12.20 | 11.83 | 6.16 | 4.35 | 14.55 | 12.24 | 5.76 |
| 24.26 | 22.74 | 19.19 | 14.19 | 30.43 | 26.64 | 15.44 |
| 12.13 | 20.86 | 19.36 | 27.66 | 5.83 | 8.62 | 25.54 |
| 2.56 | 2.15 | 4.92 | 4.88 | 2.94 | 3.66 | 3.46 |
| 9.57 | 18.71 | 14.44 | 22.78 | 2.89 | 4.96 | 22.08 |
| (0.09) | 1.42 | 1.35 | 1.68 | 1.89 | 1.85 | 1.94 |
| 9.48 | 20.13 | 15.79 | 24.46 | 4.78 | 6.81 | 24.02 |

## SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | | NEWSPAPER** |
|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | | | |
| Salaries - executive | 3.24% | 3.14% | 2.77% | 1.89% | 1.90% |
| Direct wages | 28.81 | 26.27 | 30.02 | 24.06 | 38.00 |
| General factory salaries and wages | 4.09 | 3.28 | 6.30 | 9.02 | 2.30 |
| Packing, shipping and delivery wages | 1.31 | 1.05 | 1.55 | 0.98 | 2.98 |
| Payroll taxes | 2.49 | 1.92 | 2.97 | 2.40 | 3.07 |
| Employee benefits | 2.67 | 2.52 | 4.52 | 3.87 | 3.01 |
| TOTAL FACTORY PAYROLL | 42.61 | 38.18 | 48.13 | 42.22 | 51.26 |
| FACTORY EXPENSES | | | | | |
| Fixed Expenses | | | | | |
| Depreciation - real estate | 0.40 | 0.42 | 0.61 | 0.28 | 1.02 |
| Depreciation - other | 4.50 | 4.48 | 5.09 | 5.67 | 4.74 |
| Taxes - real estate | 0.30 | 0.31 | 0.27 | 0.26 | 0.17 |
| Taxes - other | 0.28 | 0.27 | 0.30 | 0.24 | 0.34 |
| Insurance | 0.93 | 0.78 | 0.53 | 0.43 | 0.60 |
| Building rent | 2.45 | 2.17 | 1.02 | 1.04 | 0.99 |
| Utilities - heat, light, etc. | 1.73 | 1.53 | 2.37 | 2.20 | 1.42 |
| Equipment rental | 0.87 | 0.70 | 0.58 | 0.35 | 0.34 |
| Total Fixed Expenses | 11.46 | 10.66 | 10.77 | 10.47 | 9.62 |
| Other Expenses | | | | | |
| Factory supplies and expense | 3.07 | 2.73 | 4.57 | 4.42 | 3.44 |
| Packing, shipping and delivery expense | 1.67 | 1.59 | 1.78 | 2.00 | 3.27 |
| Repairs and maintenance | 1.98 | 1.75 | 2.58 | 2.44 | 3.34 |
| Other factory expenses | 1.08 | 0.90 | 1.57 | 0.84 | 0.28 |
| Total Other Expenses | 7.80 | 6.97 | 10.50 | 9.70 | 10.33 |
| TOTAL FACTORY EXPENSES | 19.26 | 17.63 | 21.27 | 20.17 | 19.95 |
| ADMINISTRATIVE EXPENSES | | | | | |
| Salaries - executive | 5.06 | 4.42 | 2.75 | 2.54 | 3.57 |
| Salaries - office | 4.23 | 3.66 | 2.70 | 1.76 | 3.82 |
| Payroll taxes | 0.57 | 0.40 | 0.38 | 0.32 | 0.56 |
| Employee benefits | 0.83 | 0.69 | 0.78 | 1.03 | 0.78 |
| Bad debts | 0.67 | 0.52 | 0.56 | 0.35 | 0.69 |
| Office supplies and expenses | 0.84 | 0.80 | 0.62 | 0.48 | 0.53 |
| Professional fees | 0.92 | 0.91 | 0.66 | 0.63 | 1.28 |
| Taxes - business | 0.32 | 0.24 | 0.11 | 0.13 | 0.44 |
| Telephone | 0.77 | 0.67 | 0.59 | 0.62 | 0.62 |
| Other administrative expenses | 2.32 | 2.09 | 1.80 | 2.08 | 1.35 |
| TOTAL ADMINISTRATIVE EXPENSES | 16.53 | 14.40 | 10.95 | 9.94 | 13.64 |
| SELLING EXPENSES | | | | | |
| Salaries - executive | 2.16 | 2.22 | 0.98 | 0.88 | 1.10 |
| Salaries and commissions - salesmen | 5.68 | 4.63 | 3.32 | 3.36 | 1.18 |
| Salaries - sales office clerical | 0.85 | 0.88 | 1.10 | 0.72 | 0.32 |
| Payroll taxes | 0.42 | 0.33 | 0.32 | 0.26 | 0.15 |
| Employee benefits | 0.46 | 0.43 | 0.43 | 0.40 | 0.26 |
| Advertising | 0.74 | 0.63 | 0.38 | 0.45 | 0.47 |
| Travel and entertainment | 1.47 | 1.23 | 0.98 | 0.98 | 0.62 |
| Other selling expenses | 0.93 | 0.88 | 0.92 | 1.19 | 0.52 |
| TOTAL SELLING EXPENSES | 12.71 | 11.23 | 8.43 | 8.24 | 4.62 |

** Sample insufficient for Profit Leaders.

| FINANCIAL | | CATALOG AND DIRECTORY | | TAG AND LABEL** | PACKAGING | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 1.62% | 1.08% | 4.80% | 5.75% | 3.32% | 3.43% | 3.09% |
| 30.30 | 27.73 | 27.94 | 26.06 | 25.20 | 28.24 | 29.73 |
| 6.93 | 7.68 | 3.29 | 2.15 | 7.43 | 3.47 | 3.53 |
| 1.08 | 0.93 | 0.79 | 0.37 | 0.88 | 1.68 | 1.02 |
| 2.34 | 2.67 | 2.64 | 2.32 | 2.67 | 2.60 | 1.24 |
| 4.91 | 4.85 | 2.01 | 2.81 | 4.84 | 5.57 | 5.26 |
| 47.18 | 44.94 | 41.47 | 39.46 | 44.34 | 44.99 | 43.87 |
| 0.31 | 0.23 | 0.33 | 0.54 | 0.61 | 0.27 | 0.37 |
| 2.61 | 2.42 | 4.83 | 3.78 | 4.04 | 3.93 | 2.81 |
| 0.25 | 0.04 | 0.22 | 0.36 | 0.55 | 0.55 | 0.91 |
| 0.24 | 0.37 | 0.09 | 0.08 | 0.44 | 0.27 | 0.03 |
| 0.32 | 0.28 | 0.73 | 0.66 | 1.04 | 0.43 | 0.19 |
| 1.62 | 1.74 | 1.78 | 0.44 | 1.91 | 1.74 | 0.96 |
| 1.24 | 0.92 | 2.35 | 1.55 | 2.03 | 2.03 | 2.06 |
| 0.69 | 0.78 | 1.43 | 1.67 | 0.37 | 0.27 | 0.00 |
| 7.28 | 6.78 | 11.76 | 9.08 | 10.99 | 9.49 | 7.33 |
| 3.48 | 1.59 | 2.71 | 4.17 | 2.63 | 3.47 | 3.18 |
| 1.12 | 0.37 | 2.09 | 2.70 | 1.62 | 2.90 | 0.09 |
| 2.31 | 1.17 | 2.85 | 2.62 | 2.20 | 2.19 | 2.37 |
| 2.24 | 1.55 | 0.57 | 0.12 | 1.96 | 1.70 | 2.18 |
| 9.15 | 4.68 | 8.22 | 9.61 | 8.41 | 10.26 | 7.82 |
| 16.43 | 11.46 | 19.98 | 18.69 | 19.40 | 19.75 | 15.15 |
| 2.71 | 2.56 | 3.46 | 4.54 | 5.14 | 4.08 | 3.92 |
| 2.58 | 1.90 | 2.79 | 1.15 | 3.56 | 3.33 | 1.38 |
| 0.25 | 0.17 | 0.34 | 0.22 | 0.80 | 0.48 | 0.12 |
| 0.56 | 0.38 | 0.54 | 0.24 | 1.25 | 1.64 | 1.30 |
| 0.89 | 1.19 | 0.50 | 0.52 | 0.37 | 0.59 | 0.53 |
| 0.86 | 0.64 | 0.91 | 0.33 | 0.75 | 0.54 | 0.36 |
| 1.13 | 0.85 | 0.82 | 0.43 | 0.73 | 0.88 | 0.49 |
| 0.25 | 0.12 | 0.17 | 0.11 | 0.12 | 0.17 | 0.00 |
| 0.64 | 0.60 | 0.58 | 0.31 | 0.72 | 0.69 | 0.27 |
| 2.19 | 2.50 | 2.92 | 1.99 | 2.44 | 2.00 | 1.31 |
| 12.06 | 10.91 | 13.03 | 9.84 | 15.88 | 14.40 | 9.68 |
| 0.95 | 1.85 | 0.27 | 0.18 | 3.16 | 2.90 | 1.41 |
| 6.83 | 5.52 | 2.60 | 2.13 | 6.15 | 3.92 | 1.43 |
| 0.74 | 0.70 | 0.95 | 0.76 | 0.76 | 1.19 | 0.73 |
| 0.23 | 0.18 | 0.25 | 0.18 | 0.37 | 0.37 | 0.04 |
| 0.59 | 0.73 | 0.08 | 0.07 | 0.33 | 0.69 | 0.35 |
| 0.75 | 0.79 | 0.21 | 0.24 | 0.31 | 0.51 | 0.06 |
| 1.11 | 1.07 | 0.94 | 0.19 | 1.62 | 1.62 | 1.13 |
| 1.00 | 0.99 | 0.86 | 0.60 | 1.85 | 1.04 | 0.61 |
| 12.20 | 11.83 | 6.16 | 4.35 | 14.55 | 12.24 | 5.76 |

## REPORT ON OPERATIONS - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | | NEWSPAPER** |
|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | | |
| MATERIAL | | | | | |
| Paper | 22.25 | 21.78 | 28.89 | 24.95 | 37.82 |
| Other chargeable materials | 5.24 | 4.52 | 6.33 | 7.12 | 6.21 |
| Outside services | 8.68 | 8.69 | 5.02 | 3.58 | 1.92 |
| TOTAL MATERIAL | 36.17 | 34.99 | 40.24 | 35.65 | 45.95 |
| FACTORY PAYROLL | 27.15 | 24.81 | 28.52 | 26.74 | 27.35 |
| FACTORY EXPENSES | 12.29 | 11.48 | 12.71 | 13.16 | 11.07 |
| TOTAL FACTORY COST OF PRODUCT | 75.61 | 71.28 | 81.47 | 75.55 | 84.37 |
| GROSS PROFIT | 24.39 | 28.72 | 18.53 | 24.45 | 15.63 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | | |
| Administrative expenses | 10.6 | 9.50 | 6.62 | 6.67 | 7.67 |
| Selling expenses | 8.07 | 7.34 | 5.07 | 5.42 | 2.68 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 18.71 | 16.84 | 11.69 | 12.09 | 10.35 |
| INCOME BEFORE INTEREST EXPENSE | 5.68 | 11.88 | 6.84 | 12.36 | 5.28 |
| Interest expense | 2.09 | 1.35 | 2.45 | 1.97 | 1.67 |
| OPERATING INCOME | 3.59 | 10.53 | 4.39 | 10.39 | 3.61 |
| Other income (expense) | 0.89 | 1.36 | 0.61 | 1.37 | 0.86 |
| INCOME BEFORE INCOME TAXES | 4.48 | 11.89 | 5.00 | 11.76 | 4.47 |

## SUPPORTING SCHEDULES - SALES = 100%

| | | | | | |
|---|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | | |
| Ink | 1.49% | 1.53% | 3.39% | 4.27% | 2.96% |
| Film | 1.23 | 1.07 | 0.98 | 0.53 | 1.03 |
| Plates | 1.24 | 0.95 | 1.27 | 1.17 | 1.11 |
| Other chargeable materials | 1.28 | 0.97 | 0.69 | 1.15 | 1.11 |
| TOTAL OTHER CHARGEABLE MATERIALS | 5.24 | 4.52 | 6.33 | 7.12 | 6.21 |
| OUTSIDE SERVICES | | | | | |
| Composition | 1.09 | 0.93 | 0.19 | 0.21 | 0.00 |
| Offset preparation | 1.57 | 2.01 | 0.69 | 0.54 | 0.40 |
| Printing | 2.17 | 2.29 | 1.24 | 0.72 | 0.64 |
| Binding | 2.01 | 2.19 | 1.47 | 0.86 | 0.33 |
| Other outside services | 1.84 | 1.27 | 1.43 | 1.25 | 0.55 |
| TOTAL OUTSIDE SERVICES | 8.68 | 8.69 | 5.02 | 3.58 | 1.92 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.

| FINANCIAL | | CATALOG AND DIRECTORY | | TAG AND LABEL** | PACKAGING | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 13.59 | 10.95 | 19.91 | 13.05 | 26.57 | 32.84 | 39.55 |
| 6.77 | 8.14 | 17.78 | 24.59 | 5.69 | 5.03 | 6.60 |
| 7.76 | 6.72 | 1.15 | 0.42 | 4.07 | 4.53 | 5.42 |
| 28.12 | 25.81 | 38.84 | 38.06 | 36.33 | 42.40 | 51.57 |
| 33.99 | 33.52 | 25.80 | 24.82 | 28.43 | 25.89 | 21.34 |
| 11.50 | 8.28 | 12.43 | 11.98 | 12.30 | 11.44 | 7.38 |
| 73.61 | 67.61 | 77.07 | 74.86 | 77.06 | 79.73 | 80.29 |
| 26.39 | 32.39 | 22.93 | 25.14 | 22.94 | 20.27 | 19.71 |
| 8.57 | 7.90 | 8.06 | 6.98 | 10.09 | 8.37 | 4.61 |
| 8.83 | 8.89 | 3.68 | 2.82 | 9.24 | 7.22 | 2.88 |
| 17.40 | 16.79 | 11.74 | 9.80 | 19.33 | 15.59 | 7.49 |
| 8.99 | 15.60 | 11.19 | 15.34 | 3.61 | 4.68 | 12.22 |
| 1.85 | 1.69 | 2.48 | 2.21 | 1.85 | 2.11 | 1.64 |
| 7.14 | 13.91 | 8.71 | 13.13 | 1.76 | 2.57 | 10.58 |
| (0.14) | 0.75 | 0.65 | 1.21 | 1.33 | 1.05 | 0.91 |
| 7.00 | 14.66 | 9.36 | 14.34 | 3.09 | 3.62 | 11.49 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1.10% | | 11.08% | | 2.50% | 2.37% | 2.94% |
| 1.31 | | 1.24 | | 0.52 | 0.35 | 0.00 |
| 3.20 | | 1.77 | | 0.95 | 0.59 | 0.77 |
| 1.16 | | 3.69 | | 1.72 | 1.72 | 2.89 |
| 6.77 | *** | 17.78 | *** | 5.69 | 5.03 | 6.60 |
| 0.51 | | 0.00 | 0.42% | 0.58 | 0.22 | 0.09 |
| 0.82 | | 0.29 | 0.00 | 0.99 | 0.68 | 0.51 |
| 1.01 | | 0.04 | 0.00 | 1.46 | 1.17 | 1.24 |
| 2.91 | | 0.33 | 0.00 | 0.51 | 0.47 | 0.07 |
| 2.51 | | 0.49 | 0.00 | 0.53 | 1.99 | 3.51 |
| 7.76 | *** | 1.15 | 0.42 | 4.07 | 4.53 | 5.42 |

## ALL PRINTERS BY PRODUCT SPECIALTY

## SUPPORTING SCHEDULES - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | | NEWSPAPER** |
|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | | | |
| Salaries - executive | 2.08% | 2.05% | 1.63% | 1.16% | 0.94% |
| Direct wages | 18.32 | 17.02 | 17.75 | 15.19 | 20.40 |
| General factory salaries and wages | 2.62 | 2.16 | 3.80 | 5.78 | 1.22 |
| Packing, shipping and delivery wages | 0.83 | 0.67 | 0.90 | 0.66 | 1.49 |
| Payroll taxes | 1.60 | 1.27 | 1.78 | 1.56 | 1.66 |
| Employee benefits | 1.70 | 1.64 | 2.66 | 2.39 | 1.64 |
| TOTAL FACTORY PAYROLL | 27.15 | 24.81 | 28.52 | 26.74 | 27.35 |
| FACTORY EXPENSES | | | | | |
| Fixed Expenses | | | | | |
| Depreciation - real estate | 0.26 | 0.27 | 0.35 | 0.18 | 0.53 |
| Depreciation - other | 2.84 | 2.89 | 3.03 | 3.63 | 2.67 |
| Taxes - real estate | 0.19 | 0 19 | 0.16 | 0.17 | 0.10 |
| Taxes - other | 0.18 | 0.17 | 0.18 | 0.16 | 0.20 |
| Insurance | 0.60 | 0.52 | 0.32 | 0.28 | 0.32 |
| Building rent | 1.58 | 1.43 | 0.61 | 0.69 | 0.49 |
| Utilities - heat, light, etc. | 1.10 | 0.99 | 1.41 | 1.40 | 0.75 |
| Equipment rental | 0.57 | 0.50 | 0.34 | 0.23 | 0.18 |
| Total Fixed Expenses | 7.32 | 6.96 | 6.40 | 6.74 | 5.24 |
| Other Expenses | | | | | |
| Factory supplies and expense | 1.96 | 1.77 | 2.72 | 2.81 | 1.86 |
| Packing, shipping and delivery expense | 1.06 | 1.03 | 1.13 | 1.49 | 2.06 |
| Repairs and maintenance | 1.26 | 1.14 | 1.52 | 1.59 | 1.76 |
| Other factory expenses | 0.69 | 0.58 | 0.94 | 0.53 | 0.15 |
| Total Other Expenses | 4.97 | 4.52 | 6.31 | 6.42 | 5.83 |
| TOTAL FACTORY EXPENSES | 12.29 | 11.48 | 12.71 | 13.16 | 11.07 |
| ADMINISTRATIVE EXPENSES | | | | | |
| Salaries - executive | 3.29 | 2.95 | 1.68 | 1.70 | 1.89 |
| Salaries - office | 2.72 | 2.41 | 1.60 | 1.12 | 2.32 |
| Payroll taxes | 0.37 | 0.26 | 0.23 | 0.21 | 0.33 |
| Employee benefits | 0.53 | 0.47 | 0.47 | 0.67 | 0.47 |
| Bad debts | 0.42 | 0.34 | 0.32 | 0.24 | 0.37 |
| Office supplies and expenses | 0.54 | 0.52 | 0.37 | 0.32 | 0.29 |
| Professional fees | 0.59 | 0.60 | 0.40 | 0.41 | 0.71 |
| Taxes - business | 0.20 | 0.16 | 0.06 | 0.09 | 0.23 |
| Telephone | 0.49 | 0.44 | 0.37 | 0.43 | 0.34 |
| Other administrative expenses | 1.49 | 1.35 | 1.12 | 1.48 | 0.72 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.64 | 9.50 | 6.62 | 6.67 | 7.67 |
| SELLING EXPENSES | | | | | |
| Salaries - executive | 1.38 | 1.43 | 0.61 | 0.60 | 0.67 |
| Salaries and commissions - salesmen | 3.59 | 3.02 | 1.98 | 2.21 | 0.59 |
| Salaries - sales office clerical | 0.54 | 0.59 | 0.64 | 0.45 | 0.21 |
| Payroll taxes | 0.27 | 0.22 | 0.19 | 0.17 | 0.09 |
| Employee benefits | 0.29 | 0.28 | 0.25 | 0.24 | 0.16 |
| Advertising | 0.48 | 0.42 | 0.23 | 0.30 | 0.32 |
| Travel and entertainment | 0.93 | 0.81 | 0.61 | 0.67 | 0.31 |
| Other selling expenses | 0.59 | 0.57 | 0.56 | 0.78 | 0.33 |
| TOTAL SELLING EXPENSES | 8.07 | 7.34 | 5.07 | 5.42 | 2.68 |

** Sample insufficient for Profit Leaders.

| FINANCIAL | | CATALOG AND DIRECTORY | | TAG AND LABEL** | PACKAGING | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 1.22% | 0.93% | 3.31% | 3.93% | 2.11% | 1.95% | 1.42% |
| 21.79 | 20.61 | 17.17 | 16.28 | 15.93 | 16.19 | 14.69 |
| 4.82 | 5.33 | 2.03 | 1.42 | 4.95 | 2.07 | 1.62 |
| | | | | | | |
| 0.75 | 0.61 | 0.54 | 0.27 | 0.55 | 0.96 | 0.49 |
| 1.71 | 2.02 | 1.65 | 1.47 | 1.71 | 1.52 | 0.58 |
| 3.70 | 4.02 | 1.10 | 1.45 | 3.18 | 3.20 | 2.54 |
| 33.99 | 33.52 | 25.80 | 24.82 | 28.43 | 25.89 | 21.34 |
| | | | | | | |
| 0.23 | 0.19 | 0.18 | 0.31 | 0.39 | 0.16 | 0.17 |
| 1.80 | 1.64 | 2.71 | 2.09 | 2.54 | 2.28 | 1.36 |
| 0.17 | 0.03 | 0.14 | 0.23 | 0.35 | 0.32 | 0.45 |
| 0.18 | 0.29 | 0.07 | 0.06 | 0.30 | 0.17 | 0.01 |
| 0.23 | 0.20 | 0.45 | 0.45 | 0.67 | 0.25 | 0.09 |
| 1.10 | 1.12 | 1.25 | 0.31 | 1.22 | 1.00 | 0.49 |
| 0.89 | 0.71 | 1.29 | 0.82 | 1.30 | 1.16 | 0.97 |
| 0.51 | 0.64 | 1.02 | 1.19 | 0.25 | 0.16 | 0.00 |
| 5.11 | 4.82 | 7.11 | 5.46 | 7.02 | 5.50 | 3.54 |
| | | | | | | |
| 2.48 | 1.30 | 1.77 | 2.70 | 1.66 | 1.99 | 1.57 |
| | | | | | | |
| 0.82 | 0.23 | 1.39 | 1.93 | 0.99 | 1.66 | 0.04 |
| 1.55 | 0.79 | 1.67 | 1.63 | 1.38 | 1.27 | 1.17 |
| 1.54 | 1.14 | 0.49 | 0.26 | 1.25 | 1.02 | 1.06 |
| 6.39 | 3.46 | 5.32 | 6.52 | 5.28 | 5.94 | 3.84 |
| 11.50 | 8.28 | 12.43 | 11.98 | 12.30 | 11.44 | 7.38 |
| | | | | | | |
| 1.87 | 1.71 | 2.37 | 3.24 | 3.28 | 2.35 | 1.82 |
| 1.81 | 1.27 | 1.68 | 0.79 | 2.25 | 1.94 | 0.69 |
| 0.19 | 0.14 | 0.22 | 0.16 | 0.51 | 0.28 | 0.05 |
| 0.42 | 0.32 | 0.30 | 0.15 | 0.79 | 0.94 | 0.60 |
| 0.68 | 1.02 | 0.32 | 0.38 | 0.23 | 0.34 | 0.27 |
| 0.59 | 0.40 | 0.50 | 0.24 | 0.48 | 0.32 | 0.17 |
| 0.77 | 0.60 | 0.46 | 0.31 | 0.47 | 0.51 | 0.22 |
| 0.18 | 0.09 | 0.10 | 0.08 | 0.08 | 0.10 | 0.00 |
| 0.46 | 0.43 | 0.36 | 0.22 | 0.46 | 0.40 | 0.13 |
| 1.60 | 1.92 | 1.75 | 1.41 | 1.54 | 1.19 | 0.66 |
| 8.57 | 7.90 | 8.06 | 6.98 | 10.09 | 8.37 | 4.61 |
| | | | | | | |
| 0.76 | 1.53 | 0.19 | 0.13 | 2.01 | 1.67 | 0.73 |
| | | | | | | |
| 4.77 | 3.82 | 1.58 | 1.32 | 3.89 | 2.31 | 0.71 |
| 0.54 | 0.58 | 0.60 | 0.55 | 0.48 | 0.72 | 0.37 |
| 0.18 | 0.15 | 0.16 | 0.12 | 0.23 | 0.22 | 0.02 |
| 0.46 | 0.60 | 0.05 | 0.05 | 0.21 | 0.41 | 0.18 |
| 0.58 | 0.67 | 0.14 | 0.18 | 0.20 | 0.32 | 0.03 |
| 0.77 | 0.71 | 0.51 | 0.13 | 1.03 | 0.95 | 0.53 |
| 0.77 | 0.83 | 0.45 | 0.34 | 1.19 | 0.62 | 0.31 |
| 8.83 | 8.89 | 3.68 | 2.82 | 9.24 | 7.22 | 2.88 |

# ALL PRINTERS BY PRODUCT SPECIALTY

## BALANCE SHEET

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | | NEWSPAPER** |
|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash | 7.29% | 10.83% | 4.53% | 8.75% | 5.42% |
| Receivables | 32.71 | 30.09 | 28.03 | 23.84 | 33.32 |
| Inventories | 12.79 | 11.64 | 15.95 | 11.59 | 12.64 |
| Other current assets | 4.52 | 5.54 | 4.76 | 7.52 | 2.02 |
| TOTAL CURRENT ASSETS | 57.31 | 58.10 | 53.27 | 51.70 | 53.40 |
| FIXED ASSETS | | | | | |
| Real estate | 9.02 | 10.33 | 14.92 | 12.59 | 16.34 |
| Less: Accumulated depreciation | 2.58 | 2.71 | 4.87 | 2.94 | 4.37 |
| | 6.44 | 7.62 | 10.05 | 9.65 | 11.97 |
| Machinery and equipment | 62.58 | 56.10 | 64.49 | 60.93 | 50.98 |
| Less: Accumulated depreciation | 33.98 | 29.45 | 33.82 | 28.82 | 25.98 |
| | 28.60 | 26.65 | 30.67 | 32.11 | 25.00 |
| Other fixed assets | 7.08 | 6.04 | 4.59 | 3.67 | 8.18 |
| Less: Accumulated depreciation | 3.63 | 2.86 | 2.00 | 1.62 | 2.61 |
| | 3.45 | 3.18 | 2.59 | 2.05 | 5.57 |
| NET FIXED ASSETS | 38.49 | 37.45 | 43.31 | 43.81 | 42.54 |
| OTHER ASSETS | 4.20 | 4.45 | 3.42 | 4.49 | 4.06 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Notes payable | 8.48 | 5.56 | 8.31 | 4.31 | 11.47 |
| Accounts payable | 14.54 | 11.40 | 13.43 | 8.42 | 20.01 |
| Other current liabilities | 9.48 | 9.34 | 10.04 | 9.16 | 6.73 |
| TOTAL CURRENT LIABILITIES | 32.50 | 26.30 | 31.78 | 21.89 | 38.21 |
| LONG-TERM LIABILITIES | 25.98 | 20.26 | 28.20 | 25.67 | 25.95 |
| TOTAL LIABILITIES | 58.48 | 46.56 | 59.98 | 47.56 | 64.16 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 41.52 | 53.44 | 40.02 | 52.44 | 35.84 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | | |
|---|---|---|---|---|---|
| CURRENT RATIO | 1.76 | 2.21 | 1.68 | 2.36 | 1.40 |
| QUICK RATIO | 1.37 | 1.77 | 1.17 | 1.83 | 1.07 |
| TOTAL LIABILITIES TO EQUITY | 1.41 | 0.87 | 1.50 | 0.91 | 1.79 |
| LONG-TERM LIABILITIES TO EQUITY | 0.63 | 0.38 | 0.70 | 0.49 | 0.72 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.54 | 0.52 | 0.52 | 0.47 | 0.51 |

** Sample insufficient for Profit Leaders.

| FINANCIAL | | CATALOG AND DIRECTORY | | TAG AND LABEL** | PACKAGING | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 5.23% | 16.07% | 12.78% | 15.20% | 3.79% | 2.88% | 1.50% |
| 33.59 | 42.62 | 27.53 | 29.37 | 26.41 | 27.78 | 26.10 |
| 16.58 | 15.99 | 13.19 | 15.88 | 22.08 | 29.66 | 36.73 |
| 6.43 | 2.37 | 2.98 | 1.20 | 5.46 | 3.77 | 9.67 |
| 61.83 | 77.05 | 56.48 | 61.65 | 57.74 | 64.09 | 74.00 |
| 9.51 | 4.26 | 13.73 | 12.15 | 15.67 | 10.20 | 9.75 |
| 2.07 | 2.83 | 2.61 | 3.10 | 3.74 | 4.80 | 2.32 |
| 7.44 | 1.43 | 11.12 | 9.05 | 11.93 | 5.40 | 7.43 |
| 43.94 | 38.35 | 45.14 | 43.21 | 58.38 | 58.05 | 37.96 |
| 28.87 | 24.47 | 18.91 | 20.99 | 36.59 | 33.33 | 20.72 |
| 15.07 | 13.88 | 26.23 | 22.22 | 21.79 | 24.72 | 17.24 |
| 7.72 | 4.68 | 3.74 | 4.13 | 5.90 | 6.85 | 1.07 |
| 3.60 | 2.46 | 1.93 | 2.12 | 2.86 | 3.20 | 0.45 |
| 4.12 | 2.22 | 1.81 | 2.01 | 3.04 | 3.65 | 0.62 |
| 26.63 | 17.53 | 39.16 | 33.28 | 36.76 | 33.77 | 25.29 |
| 11.54 | 5.42 | 4.36 | 5.07 | 5.50 | 2.14 | 0.71 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 6.60 | 7.28 | 3.77 | 0.03 | 5.99 | 7.17 | 1.17 |
| 12.50 | 8.34 | 9.49 | 8.49 | 9.16 | 13.71 | 10.51 |
| 11.10 | 15.02 | 14.90 | 13.08 | 10.46 | 7.60 | 14.85 |
| 30.20 | 30.64 | 28.16 | 21.60 | 25.61 | 28.48 | 26.53 |
| 20.55 | 8.02 | 16.75 | 6.58 | 25.29 | 21.84 | 18.66 |
| 50.75 | 38.66 | 44.91 | 28.18 | 50.90 | 50.32 | 45.19 |
| 49.25 | 61.34 | 55.09 | 71.82 | 49.10 | 49.68 | 54.81 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 2.05 | 2.51 | 2.01 | 2.85 | 2.25 | 2.25 | 2.79 |
| 1.50 | 1.99 | 1.54 | 2.12 | 1.39 | 1.21 | 1.40 |
| 1.03 | 0.63 | 0.82 | 0.39 | 1.04 | 1.01 | 0.82 |
| 0.42 | 0.13 | 0.30 | 0.09 | 0.52 | 0.44 | 0.34 |
| 0.66 | 0.64 | 0.42 | 0.49 | 0.63 | 0.57 | 0.55 |

## SIGNIFICANT FACTS

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | | NEWSPAPER** |
|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | | | |
| Average assets per employee - All employees | $ 30,708 | $ 36,832 | $ 34,807 | $ 41,888 | $ 35,769 |
| Average assets per factory employee (Excluding Executives) | 49,302 | 55,125 | 43,444 | 50,091 | 45,512 |
| Average net worth per employee - All employees | 12,686 | 19,509 | 14,003 | 21,524 | 13,290 |
| Average gross plant investment per factory employee (Excluding Executives) | 36,826 | 37,916 | 34,263 | 38,556 | 31,172 |
| Net worth percentage of fixed assets | 149.09% | 196.36% | 105.64% | 134.74% | 107.90% |
| EMPLOYEES | | | | | |
| Percent factory - All employees | 73.56% | 75.20% | 84.68% | 86.28% | 83.38% |
| Percent administrative - All employees | 15.23 | 14.37 | 8.93 | 7.12 | 13.44 |
| Percent sales - All employees | 11.21 | 10.43 | 6.39 | 6.60 | 3.18 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | | |
| INCLUDING EXECUTIVES | | | | | |
| Sales per employee - All employees | $ 59,399 | $ 67,257 | $ 64,580 | $ 67,979 | $ 67,534 |
| Sales per factory employee | 86,015 | 91,640 | 76,865 | 80,299 | 82,999 |
| Sales less material per factory employee | 53,807 | 57,728 | 45,161 | 50,920 | 44,553 |
| Sales per administrative employee | 496,448 | 597,246 | 877,419 | 1,134,606 | 681,648 |
| EXCLUDING EXECUTIVES | | | | | |
| Sales per employee - All employees | 67,637 | 76,485 | 69,467 | 71,443 | 72,756 |
| Sales per factory employee | 96,247 | 100,342 | 80,889 | 82,723 | 85,462 |
| Sales less material per factory employee | 60,283 | 63,134 | 47,422 | 52,325 | 45,734 |
| SALES PER SALESMAN | 500,722 | 621,388 | 2,280,495 | 2,807,860 | 1,416,306 |
| SALES TO CURRENT ASSETS | 403% | 373% | 392% | 337% | 487% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | | |
| INCLUDING EXECUTIVES | | | | | |
| Total payroll percentage of sales | 40.12% | 36.42% | 36.16% | 34.10% | 34.07% |
| Factory payroll percentage of gross plant investment | 86.09 | 85.29 | 72.10 | 60.71 | 92.61 |
| Payroll per employee - All employees | $ 22,966 | $ 23,283 | $ 22,688 | $ 22,589 | $ 21,357 |
| Payroll per factory employee | 22,304 | 21,698 | 21,179 | 20,327 | 20,654 |
| Payroll per administrative employee | 26,006 | 26,376 | 28,992 | 35,990 | 24,322 |
| Payroll per sales employee | 31,114 | 33,761 | 39,710 | 42,561 | 32,023 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | | |
| EXCLUDING EXECUTIVES | | | | | |
| Payroll per employee - All employees | $ 18,581 | $ 18,786 | $ 18,113 | $ 17,722 | $ 17,799 |
| Payroll per factory employee | 19,757 | 19,002 | 17,622 | 16,993 | 17,866 |
| Payroll per administrative employee | 14,306 | 14,123 | 15,007 | 14,469 | 14,011 |
| Payroll per sales employee | 24,641 | 25,216 | 32,589 | 34,825 | 22,134 |
| EXECUTIVE PAYROLL | | | | | |
| Payroll per executive - All executives | 38,812 | 41,475 | 43,772 | 56,477 | 34,260 |
| Payroll per factory executive | 25,148 | 26,987 | 32,209 | 31,171 | 30,770 |
| Payroll per administrative executive | 43,600 | 46,119 | 58,707 | 73,545 | 36,237 |
| Payroll per sales executive | 31,219 | 36,567 | 41,980 | 50,755 | 28,469 |
| RECEIVABLES | | | | | |
| Collection period | 58.5 | 57.3 | 53.8 | 52.9 | 65.5 |
| PROFIT | | | | | |
| Gross profit percentage of sales | 24.39% | 28.72% | 18.53% | 24.45% | 15.63% |
| Average gross profit per factory employee | $ 23,723 | $ 27,954 | $ 15,003 | $ 20,495 | $ 14,654 |
| Income before taxes percentage of sales | 4.48% | 11.89% | 5.00% | 11.76% | 4.47% |
| Average income before taxes per employee | $ 3,008 | $ 8,199 | $ 3,435 | $ 7,841 | $ 3,242 |

** Sample insufficient for Profit Leaders.

| FINANCIAL | | CATALOG AND DIRECTORY | | TAG AND LABEL** | PACKAGING | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 36,780 | $ 34,033 | $ 39,827 | $ 39,558 | $ 38,233 | $ 28,749 | $ 46,375 |
| 50,585 | 52,330 | 48,876 | 46,342 | 57,078 | 37,312 | 53,404 |
| 20,632 | 21,854 | 21,441 | 30,442 | 17,497 | 13,869 | 23,971 |
| 26,279 | 21,871 | 33,135 | 28,351 | 45,186 | 26,736 | 26,460 |
| 268.58% | 450.21% | 277.14% | 411.35% | 154.03% | 160.19% | 232.53% |
| 80.28% | 79.77% | 84.73% | 87.85% | 73.74% | 80.03% | 87.46% |
| 11.86 | 13.77 | 9.23 | 7.24 | 14.71 | 9.78 | 6.34 |
| 7.86 | 6.46 | 6.04 | 4.91 | 11.55 | 10.19 | 6.20 |
| $ 64,356 | $ 66,056 | $ 77,476 | $ 95,909 | $ 63,659 | $ 65,993 | $ 101,491 |
| 83,737 | 91,136 | 89,252 | 106,816 | 89,302 | 81,781 | 115,175 |
| 61,768 | 71,171 | 48,415 | 56,922 | 56,478 | 45,973 | 55,279 |
| 729,235 | 857,152 | 1,105,197 | 1,569,667 | 706,126 | 753,890 | 1,611,556 |
| 69,297 | 72,641 | 82,886 | 103,080 | 72,717 | 71,491 | 106,281 |
| 90,643 | 104,011 | 93,570 | 111,997 | 97,225 | 85,308 | 116,724 |
| 67,464 | 82,294 | 51,274 | 60,265 | 61,491 | 48,035 | 56,008 |
| 599,181 | 491,667 | 821,953 | 1,318,906 | 452,342 | 813,992 | 0 |
| 505% | 269% | 401% | 454% | 344% | 378% | 296% |
| 44.99% | 43.63% | 32.94% | 31.34% | 42.09% | 36.74% | 26.49% |
| 124.08 | 162.75 | 201.96 | 277.94 | 70.15 | 91.65 | 98.22 |
| $ 29,379 | $ 29,588 | $ 20,711 | $ 23,508 | $ 26,110 | $ 23,037 | $ 26,330 |
| 29,040 | 31,770 | 19,559 | 22,231 | 23,763 | 20,540 | 24,131 |
| 26,891 | 24,506 | 26,302 | 30,494 | 33,143 | 36,561 | 55,640 |
| 58,623 | 71,078 | 31,382 | 38,417 | 38,287 | 32,855 | 35,700 |
| $ 23,744 | $ 23,111 | $ 16,228 | $ 17,562 | $ 19,655 | $ 16,450 | $ 18,693 |
| 23,973 | 25,916 | 15,800 | 16,993 | 19,262 | 15,907 | 18,928 |
| 13,600 | 8,379 | 12,672 | 12,051 | 13,488 | 15,414 | 15,007 |
| 49,683 | 54,824 | 30,691 | 38,881 | 34,011 | 23,826 | 26,630 |
| 41,197 | 44,249 | 44,974 | 48,858 | 47,254 | 61,815 | 95,000 |
| 22,697 | 7,647 | 36,523 | 55,333 | 27,705 | 60,638 | 118,000 |
| 47,547 | 41,783 | 47,981 | 48,256 | 55,645 | 66,580 | 76,000 |
| 29,388 | 45,750 | 8,491 | 2,151 | 43,444 | 50,321 | 27,500 |
| 67.6 | 80.6 | 49.2 | 46.0 | 55.9 | 45.0 | 44.1 |
| 26.39% | 32.39% | 22.93% | 25.14% | 22.94% | 20.27% | 19.71% |
| $ 26,093 | $ 37,681 | $ 20,757 | $ 26,017 | $ 23,367 | $ 17,210 | $ 23,139 |
| 7.00% | 14.66% | 9.36% | 14.34% | 3.09% | 3.62% | 11.49% |
| $ 4,628 | $ 10,128 | $ 8,273 | $ 13,302 | $ 2,133 | $ 3,129 | $ 11,940 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | | NEWSPAPER** |
|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | | | |
| Current Assets: | | | | | |
| Cash | $ 3.60 | $ 5.83 | $ 2.59 | $ 5.27 | $ 2.99 |
| Receivables | 15.68 | 15.35 | 14.29 | 14.07 | 17.49 |
| Inventories | 6.41 | 5.78 | 8.01 | 6.75 | 5.94 |
| Marketable securities | 0.93 | 1.58 | 1.21 | 3.81 | 0.44 |
| Other current assets | 1.52 | 1.49 | 1.58 | 1.17 | 0.63 |
| | 28.14 | 30.03 | 27.68 | 31.07 | 27.49 |
| Plant Investment: | | | | | |
| Land and building | 6.89 | 6.10 | 7.72 | 7.75 | 9.35 |
| Machinery and equipment | 30.73 | 28.94 | 34.08 | 38.38 | 24.24 |
| Other fixed assets | 3.44 | 3.16 | 2.17 | 1.84 | 4.49 |
| | 41.06 | 38.20 | 43.97 | 47.97 | 38.08 |
| Non-Current Assets | 2.27 | 2.51 | 2.33 | 3.04 | 2.28 |
| TOTAL INVESTMENT | 71.47 | 70.74 | 73.98 | 82.08 | 67.85 |
| INVESTMENT TURNOVER PER $100 OF SALES | 139.92% | 141.36% | 135.17% | 121.83% | 147.38% |
| EARNINGS | | | | | |
| Cost of Product | $75.61 | $71.28 | $81.47 | $75.55 | $84.37 |
| Selling Expenses | 8.07 | 7.34 | 5.07 | 5.42 | 2.68 |
| Administrative Expenses | 10.64 | 9.50 | 6.62 | 6.67 | 7.67 |
| | 94.32 | 88.12 | 93.16 | 87.64 | 94.72 |
| Income Before Interest, Other Income (Expense) and Taxes | 5.68 | 11.88 | 6.84 | 12.36 | 5.28 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.95% | 16.79% | 9.25% | 15.06% | 7.78% |

** Sample insufficient for Profit Leaders.

| FINANCIAL | | CATALOG AND DIRECTORY | | TAG AND LABEL** | PACKAGING | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 2.93 | $11.26 | $ 6.78 | $ 6.44 | $ 1.90 | $ 1.14 | $ 0.67 |
| 17.38 | 20.06 | 13.07 | 12.24 | 15.10 | 12.00 | 12.05 |
| 9.00 | 8.95 | 6.24 | 6.67 | 11.99 | 13.03 | 16.98 |
| 0.00 | 0.00 | 0.12 | 0.21 | 3.20 | 1.18 | 4.14 |
| 4.31 | 1.15 | 1.82 | 0.30 | 0.99 | 0.57 | 0.19 |
| 33.62 | 41.42 | 28.03 | 25.86 | 33.18 | 27.92 | 34.03 |
| 6.11 | 2.58 | 9.55 | 5.11 | 11.60 | 4.91 | 4.36 |
| 22.78 | 20.97 | 25.00 | 18.44 | 32.14 | 25.85 | 17.48 |
| 2.90 | 2.21 | 2.00 | 1.78 | 2.79 | 3.06 | 0.48 |
| 31.79 | 25.76 | 36.55 | 25.33 | 46.53 | 33.82 | 22.32 |
| 9.23 | 2.78 | 2.65 | 2.21 | 4.04 | 0.93 | 0.32 |
| 74.64 | 69.96 | 67.23 | 53.40 | 83.75 | 62.67 | 56.67 |
| 133.98% | 142.94% | 148.74% | 187.27% | 119.40% | 159.57% | 176.46% |
| $73.61 | $67.61 | $77.07 | $74.86 | $77.06 | $79.73 | $80.29 |
| 8.83 | 8.89 | 3.68 | 2.82 | 9.24 | 7.22 | 2.88 |
| 8.57 | 7.90 | 8.06 | 6.98 | 10.09 | 8.37 | 4.61 |
| 91.01 | 84.40 | 88.81 | 84.66 | 96.39 | 95.32 | 87.78 |
| 8.99 | 15.60 | 11.19 | 15.34 | 3.61 | 4.68 | 12.22 |
| 12.04% | 22.30% | 16.64% | 28.73% | 4.31% | 7.47% | 21.56% |

## ABSOLUTE DATA

| | | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | NUMBER OF PARTICIPATING FIRMS | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL PRINTING FIRMS | 944 | $ 2,673,000 | $ 4,887,000 | $ 278,000 |
| TOTAL - PROFIT LEADERS* | 238 | 3,252,000 | 5,755,000 | 668,000 |
| ALL PRINTERS BY PRODUCT SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Commercial and Advertising | 720 | 1,859,000 | 3,452,000 | 182,000 |
| Magazine and Periodical | 50 | 9,911,000 | 19,097,000 | 1,278,000 |
| Newspaper | 9 | 5,185,000 | 9,640,000 | 502,000 |
| Financial | 10 | 6,220,000 | 10,875,000 | 754,000 |
| Catalog and Directory | 5 | 5,507,000 | 7,377,000 | 436,000 |
| Tag and Label | 42 | 4,801,000 | 8,028,000 | 425,000 |
| Packaging | 16 | 3,993,000 | 5,473,000 | 141,000 |
| Book | 11 | 2,652,000 | 6,379,000 | 285,000 |
| Business Forms Manufacturers | 27 | 3,341,000 | 6,563,000 | 536,000 |
| Other | 29 | 269,000 | 646,000 | 59,000 |
| No Predominant Product | 25 | 6,401,000 | 9,966,000 | 532,000 |
| PROFIT LEADERS | | | | |
| Commercial and Advertising | 172 | 2,419,000 | 4,330,000 | 503,000 |
| Magazine and Periodical | 13 | 13,645,000 | 21,843,000 | 2,460,000 |
| Newspaper | 1 | 1,578,000 | 2,840,000 | 360,000 |
| Financial | 4 | 4,906,000 | 10,379,000 | 1,760,000 |
| Catalog and Directory | 3 | 1,960,000 | 4,780,000 | 677,000 |
| Tag and Label | 13 | 5,578,000 | 10,175,000 | 1,026,000 |
| Packaging | 2 | 1,048,000 | 1,704,000 | 233,000 |
| Book | 2 | 4,426,000 | 9,596,000 | 1,077,000 |
| Business Forms Manufacturers | 8 | 3,299,000 | 5,874,000 | 744,000 |
| Other | 12 | 264,000 | 689,000 | 116,000 |
| No Predominant Product | 8 | 5,061,000 | 9,028,000 | 966,000 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See Page 3 for explanatory note.

A8740-1.3

**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# All Printers by Geographic Region

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CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA's Financial Ratio Studies. This year, a total of 944 firms representing various segments of the graphic arts industry in the United States and Canada participated in these studies by responding to PIA's questionnaire on financial performance. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the financial status of graphic arts firms according to geographic area -- for example, New England and Up-State New York, Metropolitan New York and New Jersey, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms located in the same geographic area in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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## What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

| | | |
|---|---|---|
| SALES | | $100 |
| LESS: MATERIALS | | |
| Paper | $22 | |
| Other chargeable materials | 6 | |
| Outside services | 7 | |
| | | 35 |
| VALUE ADDED | | $ 65 |

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

## "Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

## Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

## Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

## Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

## Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 44.31 | 40.87 | 44.58 |
| FACTORY EXPENSES | 20.71 | 18.93 | 19.29 |
| TOTAL FACTORY COST OF PRODUCT | 65.02 | 59.80 | 63.87 |
| GROSS PROFIT | 34.98 | 40.20 | 36.13 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 16.41 | 18.53 | 15.53 |
| Selling expenses | 11.35 | 11.78 | 12.05 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 27.76 | 30.31 | 27.58 |
| INCOME BEFORE INTEREST EXPENSE | 7.22 | 9.89 | 8.55 |
| Interest expense | 2.88 | 2.92 | 2.82 |
| OPERATING INCOME | 4.34 | 6.97 | 5.73 |
| Other income | 1.39 | 1.07 | 1.06 |
| INCOME BEFORE INCOME TAXES | 5.73 | 8.04 | 6.79 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| X | X | X | X | X | X | X | X | X |
| X | X | X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 42.91 | 46.48 | 41.46 | 43.62 | 44.75 | 41.97 | 40.77 | 42.10 | 42.15 |
| 20.36 | 18.93 | 20.43 | 19.99 | 19.19 | 20.75 | 21.34 | 18.09 | 17.85 |
| 63.27 | 65.41 | 61.89 | 63.61 | 63.94 | 62.72 | 62.11 | 60.19 | 60.00 |
| 36.73 | 34.59 | 38.11 | 36.39 | 36.06 | 37.28 | 37.89 | 39.81 | 40.00 |
| 15.25 | 15.09 | 17.11 | 14.19 | 15.53 | 16.81 | 17.41 | 18.05 | 14.42 |
| 12.38 | 11.83 | 13.06 | 13.91 | 11.89 | 11.22 | 13.33 | 12.69 | 11.98 |
| 27.63 | 26.92 | 30.17 | 28.10 | 27.42 | 28.03 | 30.74 | 30.74 | 26.40 |
| 9.10 | 7.67 | 7.94 | 8.29 | 8.64 | 9.25 | 7.15 | 9.07 | 13.60 |
| 3.07 | 3.49 | 2.88 | 2.60 | 3.90 | 3.52 | 2.89 | 3.29 | 4.23 |
| 6.03 | 4.18 | 5.06 | 5.69 | 4.74 | 5.73 | 4.26 | 5.78 | 9.37 |
| 0.74 | 1.03 | 1.75 | 0.95 | 1.27 | 2.24 | 1.15 | 1.26 | 1.55 |
| 6.77 | 5.21 | 6.81 | 6.64 | 6.01 | 7.97 | 5.41 | 7.04 | 10.92 |

## ALL PRINTERS BY GEOGRAPHIC REGION

### SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| FACTORY PAYROLL | | | |
| Salaries - executive | 3.22% | 3.47% | 2.54% |
| Direct wages | 28.50 | 23.62 | 29.20 |
| General factory salaries and wages | 5.12 | 6.15 | 4.77 |
| Packing, shipping and delivery wages | 1.31 | 1.18 | 1.42 |
| Payroll taxes | 3.03 | 2.48 | 3.05 |
| Employee benefits | 3.13 | 3.97 | 3.60 |
| TOTAL FACTORY PAYROLL | 44.31 | 40.87 | 44.58 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.38 | 0.27 | 0.41 |
| Depreciation - other | 4.67 | 4.97 | 3.72 |
| Taxes - real estate | 0.33 | 0.25 | 0.28 |
| Taxes - other | 0.18 | 0.09 | 0.14 |
| Insurance | 1.00 | 1.25 | 1.17 |
| Building rent | 2.44 | 2.96 | 2.28 |
| Utilities - heat, light, etc. | 2.27 | 2.39 | 2.07 |
| Equipment rental | 0.64 | 0.20 | 0.96 |
| Total Fixed Expenses | 11.91 | 12.38 | 11.03 |
| Other Expenses | | | |
| Factory supplies and expense | 3.61 | 3.46 | 3.60 |
| Packing, shipping and delivery expense | 1.80 | 0.58 | 1.70 |
| Repairs and maintenance | 1.99 | 1.96 | 1.87 |
| Other factory expenses | 1.40 | 0.55 | 1.09 |
| Total Other Expenses | 8.80 | 6.55 | 8.26 |
| TOTAL FACTORY EXPENSES | 20.71 | 18.93 | 19.29 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 4.97 | 6.39 | 4.54 |
| Salaries - office | 4.38 | 4.68 | 3.76 |
| Payroll taxes | 0.70 | 0.59 | 0.58 |
| Employee benefits | 1.03 | 1.08 | 1.01 |
| Bad debts | 0.43 | 0.59 | 0.58 |
| Office supplies and expenses | 0.83 | 0.75 | 0.77 |
| Professional fees | 0.82 | 1.03 | 0.97 |
| Taxes - business | 0.24 | 0.44 | 0.18 |
| Telephone | 0.74 | 0.79 | 0.88 |
| Other administrative expenses | 2.27 | 2.19 | 2.26 |
| TOTAL ADMINISTRATIVE EXPENSES | 16.41 | 18.53 | 15.53 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.78 | 1.81 | 2.17 |
| Salaries and commissions - salesmen | 5.00 | 4.64 | 5.05 |
| Salaries - sales office clerical | 0.83 | 0.67 | 0.76 |
| Payroll taxes | 0.49 | 0.38 | 0.45 |
| Employee benefits | 0.51 | 0.42 | 0.56 |
| Advertising | 0.49 | 0.90 | 0.53 |
| Travel and entertainment | 1.45 | 1.31 | 1.44 |
| Other selling expenses | 0.80 | 1.65 | 1.09 |
| TOTAL SELLING EXPENSES | 11.35 | 11.78 | 12.05 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| 3.80% | 3.89% | 3.21% | 2.92% | 2.98% | 4.11% | 2.78% | 2.62% | 3.04% |
| 28.09 | 27.86 | 27.57 | 27.87 | 30.09 | 27.18 | 27.60 | 26.59 | 30.57 |
| 4.31 | 5.35 | 3.71 | 4.72 | 4.54 | 4.44 | 4.01 | 5.27 | 4.09 |
| 1.36 | 1.45 | 1.34 | 1.62 | 1.11 | 1.32 | 1.26 | 1.13 | 1.34 |
| 2.84 | 3.37 | 2.65 | 2.78 | 2.81 | 2.63 | 2.84 | 3.22 | 0.96 |
| 2.51 | 4.56 | 2.98 | 3.71 | 3.22 | 2.29 | 2.28 | 3.27 | 2.15 |
| 42.91 | 46.48 | 41.46 | 43.62 | 44.75 | 41.97 | 40.77 | 42.10 | 42.15 |
| 0.33 | 0.60 | 0.53 | 0.41 | 0.46 | 0.31 | 0.20 | 0.62 | 0.46 |
| 5.08 | 4.38 | 4.29 | 4.33 | 4.31 | 4.96 | 3.90 | 4.30 | 4.52 |
| 0.34 | 0.29 | 0.22 | 0.43 | 0.28 | 0.20 | 0.19 | 0.21 | 0.46 |
| 0.35 | 0.58 | 0.44 | 0.18 | 0.13 | 0.49 | 0.42 | 0.38 | 0.14 |
| 0.98 | 0.81 | 0.86 | 0.89 | 0.86 | 0.96 | 1.15 | 0.83 | 0.53 |
| 1.97 | 1.75 | 2.28 | 1.88 | 2.03 | 2.47 | 3.47 | 2.82 | 2.29 |
| 2.06 | 1.92 | 1.80 | 2.05 | 1.74 | 1.81 | 1.59 | 1.23 | 1.24 |
| 1.38 | 0.73 | 1.03 | 0.41 | 1.15 | 2.20 | 1.85 | 0.56 | 0.95 |
| 12.49 | 11.06 | 11.45 | 10.58 | 10.96 | 13.40 | 12.77 | 10.95 | 10.59 |
| 3.27 | 3.25 | 3.54 | 3.45 | 3.37 | 2.72 | 3.28 | 2.83 | 2.35 |
| 1.37 | 1.65 | 1.94 | 2.59 | 1.84 | 1.51 | 1.45 | 1.61 | 1.72 |
| 2.36 | 1.84 | 2.23 | 1.85 | 1.74 | 2.07 | 2.49 | 1.85 | 2.26 |
| 0.87 | 1.13 | 1.27 | 1.52 | 1.28 | 1.05 | 1.35 | 0.85 | 0.93 |
| 7.87 | 7.87 | 8.98 | 9.41 | 8.23 | 7.35 | 8.57 | 7.14 | 7.26 |
| 20.36 | 18.93 | 20.43 | 19.99 | 19.19 | 20.75 | 21.34 | 18.09 | 17.85 |
| 4.97 | 4.21 | 5.70 | 3.77 | 5.59 | 5.57 | 5.31 | 5.49 | 3.45 |
| 3.71 | 3.74 | 3.91 | 3.73 | 3.50 | 3.97 | 4.44 | 3.85 | 4.37 |
| 0.54 | 0.79 | 0.66 | 0.54 | 0.51 | 0.63 | 0.66 | 0.73 | 0.17 |
| 0.60 | 0.81 | 1.07 | 1.09 | 0.92 | 0.65 | 0.82 | 1.17 | 0.39 |
| 0.58 | 0.55 | 0.59 | 0.33 | 0.46 | 0.75 | 0.83 | 0.73 | 0.90 |
| 0.84 | 0.52 | 0.76 | 0.61 | 0.60 | 0.72 | 0.96 | 0.89 | 0.98 |
| 0.73 | 0.92 | 0.86 | 0.85 | 0.82 | 0.87 | 1.05 | 0.99 | 1.04 |
| 0.34 | 0.60 | 0.34 | 0.24 | 0.04 | 0.26 | 0.23 | 0.83 | 0.24 |
| 0.97 | 0.70 | 0.78 | 0.70 | 0.62 | 0.76 | 0.83 | 0.69 | 0.74 |
| 1.97 | 2.25 | 2.44 | 2.33 | 2.47 | 2.63 | 2.28 | 2.68 | 2.14 |
| 15.25 | 15.09 | 17.11 | 14.19 | 15.53 | 16.81 | 17.41 | 18.05 | 14.42 |
| 1.99 | 1.89 | 2.30 | 2.55 | 2.04 | 2.10 | 2.09 | 1.92 | 1.76 |
| 5.37 | 4.49 | 5.37 | 5.77 | 5.59 | 4.71 | 5.96 | 5.68 | 5.55 |
| 1.04 | 1.43 | 0.97 | 0.87 | 0.76 | 1.01 | 0.48 | 0.71 | 0.99 |
| 0.50 | 0.45 | 0.45 | 0.47 | 0.42 | 0.37 | 0.48 | 0.56 | 0.14 |
| 0.41 | 0.64 | 0.65 | 0.54 | 0.50 | 0.31 | 0.47 | 0.57 | 0.28 |
| 0.70 | 0.56 | 0.93 | 0.56 | 0.47 | 0.94 | 0.93 | 0.90 | 0.76 |
| 1.38 | 1.16 | 1.35 | 1.71 | 1.25 | 1.12 | 1.41 | 1.67 | 1.53 |
| 0.99 | 1.21 | 1.04 | 1.44 | 0.86 | 0.66 | 1.51 | 0.68 | 0.97 |
| 12.38 | 11.83 | 13.06 | 13.91 | 11.89 | 11.22 | 13.33 | 12.69 | 11.98 |

## ALL PRINTERS BY GEOGRAPHIC REGION

### REPORT ON OPERATIONS - SALES = 100%

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Paper | 21.64 | 20.11 | 22.69 |
| Other chargeable materials | 5.20 | 6.10 | 5.84 |
| Outside services | 6.88 | 10.36 | 8.97 |
| TOTAL MATERIAL | 33.72 | 36.57 | 37.50 |
| FACTORY PAYROLL | 29.42 | 26.09 | 27.88 |
| FACTORY EXPENSES | 13.64 | 11.75 | 11.95 |
| TOTAL FACTORY COST OF PRODUCT | 76.78 | 74.41 | 77.33 |
| GROSS PROFIT | 23.22 | 25.59 | 22.67 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 10.94 | 11.43 | 9.69 |
| Selling expenses | 7.50 | 7.41 | 7.49 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 18.44 | 18.84 | 17.18 |
| INCOME BEFORE INTEREST EXPENSE | 4.78 | 6.75 | 5.49 |
| Interest expense | 1.89 | 1.76 | 1.69 |
| OPERATING INCOME | 2.89 | 4.99 | 3.80 |
| Other income | 0.89 | 0.59 | 0.61 |
| INCOME BEFORE INCOME TAXES | 3.78 | 5.58 | 4.41 |

### SUPPORTING SCHEDULES - SALES = 100%

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 1.70% | 1.55% | 1.57% |
| Film | 1.21 | 1.24 | 1.09 |
| Plates | 1.45 | 2.22 | 1.45 |
| Other chargeable materials | 0.84 | 1.09 | 1.73 |
| TOTAL OTHER CHARGEABLE MATERIALS | 5.20 | 6.10 | 5.84 |
| OUTSIDE SERVICES | | | |
| Composition | 0.67 | 1.24 | 1.42 |
| Offset preparation | 1.02 | 0.83 | 1.04 |
| Printing | 1.57 | 0.61 | 1.29 |
| Binding | 2.09 | 6.09 | 2.88 |
| Other outside services | 1.53 | 1.59 | 2.34 |
| TOTAL OUTSIDE SERVICES | 6.88 | 10.36 | 8.97 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 22.94 | 24.40 | 23.41 | 22.25 | 24.99 | 21.36 | 21.48 | 21.72 | 25.06 |
| 5.79 | 5.08 | 5.07 | 6.05 | 5.37 | 6.86 | 4.30 | 4.21 | 5.58 |
| 6.95 | 5.13 | 8.51 | 8.23 | 6.27 | 7.57 | 9.56 | 10.83 | 7.78 |
| 35.68 | 34.61 | 36.99 | 36.53 | 36.63 | 35.79 | 35.34 | 36.76 | 38.42 |
| 27.56 | 30.28 | 26.07 | 27.42 | 28.32 | 26.76 | 26.18 | 26.72 | 25.81 |
| 13.10 | 12.33 | 12.94 | 12.69 | 12.20 | 13.41 | 13.81 | 11.37 | 11.03 |
| 76.34 | 77.22 | 76.00 | 76.64 | 77.15 | 75.96 | 75.33 | 74.85 | 75.26 |
| 23.66 | 22.78 | 24.00 | 23.36 | 22.85 | 24.04 | 24.67 | 25.15 | 24.74 |
| 9.87 | 10.03 | 10.83 | 9.16 | 9.98 | 10.82 | 11.38 | 11.46 | 8.98 |
| 7.94 | 7.73 | 8.21 | 8.88 | 7.52 | 7.23 | 8.37 | 7.98 | 7.37 |
| 17.81 | 17.76 | 19.04 | 18.04 | 17.50 | 18.05 | 19.75 | 19.44 | 16.35 |
| 5.85 | 5.02 | 4.96 | 5.32 | 5.35 | 5.99 | 4.92 | 5.71 | 8.39 |
| 1.97 | 2.28 | 1.78 | 1.62 | 2.46 | 2.19 | 1.83 | 2.06 | 2.57 |
| 3.88 | 2.74 | 3.18 | 3.70 | 2.89 | 3.80 | 3.09 | 3.65 | 5.82 |
| 0.52 | 0.67 | 1.09 | 0.56 | 0.77 | 1.51 | 0.62 | 0.76 | 0.85 |
| 4.40 | 3.41 | 4.27 | 4.26 | 3.66 | 5.31 | 3.71 | 4.41 | 6.67 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 1.58% | 1.30% | 1.97% | 2.27% | 2.55% | 1.26% | 1.23% | 1.17% | 1.78% |
| 1.77 | 1.39 | 0.75 | 1.26 | 0.69 | 1.19 | 0.77 | 1.08 | 1.22 |
| 1.37 | 0.83 | 1.26 | 1.38 | 1.17 | 1.33 | 1.01 | 0.90 | 1.12 |
| 1.07 | 1.56 | 1.09 | 1.14 | 0.96 | 3.08 | 1.29 | 1.06 | 1.46 |
| 5.79 | 5.08 | 5.07 | 6.05 | 5.37 | 6.86 | 4.30 | 4.21 | 5.58 |
| 0.77 | 0.59 | 0.87 | 0.48 | 0.47 | 0.93 | 0.67 | 1.92 | 1.22 |
| 1.20 | 1.04 | 1.76 | 1.41 | 2.05 | 0.92 | 2.14 | 1.11 | 1.67 |
| 2.51 | 0.90 | 1.80 | 3.46 | 1.40 | 2.61 | 3.07 | 3.03 | 2.17 |
| 0.74 | 1.58 | 1.93 | 1.39 | 1.22 | 1.23 | 1.81 | 2.25 | 1.73 |
| 1.73 | 1.02 | 2.15 | 1.49 | 1.13 | 1.88 | 1.87 | 2.52 | 0.99 |
| 6.95 | 5.13 | 8.51 | 8.23 | 6.27 | 7.57 | 9.56 | 10.83 | 7.78 |

ALL PRINTERS BY GEOGRAPHIC REGION

SUPPORTING SCHEDULES - SALES = 100%

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| FACTORY PAYROLL | | | |
| Salaries - executive | 2.16% | 2.25% | 1.60% |
| Direct wages | 18.82 | 14.96 | 18.22 |
| General factory salaries and wages | 3.49 | 4.01 | 2.99 |
| Packing, shipping and delivery wages | 0.85 | 0.67 | 0.89 |
| Payroll taxes | 2.01 | 1.56 | 0.89 |
| Employee benefits | 2.09 | 2.64 | 2.27 |
| TOTAL FACTORY PAYROLL | 29.42 | 26.09 | 27.88 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.25 | 0.16 | 0.27 |
| Depreciation - other | 3.07 | 3.04 | 2.31 |
| Taxes - real estate | 0.22 | 0.14 | 0.18 |
| Taxes - other | 0.12 | 0.06 | 0.08 |
| Insurance | 0.67 | 0.77 | 0.72 |
| Building rent | 1.60 | 1.82 | 1.41 |
| Utilities - heat, light, etc. | 1.50 | 1.51 | 1.27 |
| Equipment rental | 0.42 | 0.16 | 0.58 |
| Total Fixed Expenses | 7.85 | 7.66 | 6.82 |
| Other Expenses | | | |
| Factory supplies and expense | 2.37 | 2.13 | 2.26 |
| Packing, shipping and delivery expense | 1.16 | 0.37 | 1.07 |
| Repairs and maintenance | 1.31 | 1.23 | 1.14 |
| Other factory expenses | 0.95 | 0.36 | 0.66 |
| Total Other Expenses | 5.79 | 4.09 | 5.13 |
| TOTAL FACTORY EXPENSES | 13.64 | 11.75 | 11.95 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 3.36 | 4.01 | 2.81 |
| Salaries - office | 2.91 | 2.69 | 2.39 |
| Payroll taxes | 0.47 | 0.37 | 0.36 |
| Employee benefits | 0.68 | 0.67 | 0.62 |
| Bad debts | 0.28 | 0.44 | 0.36 |
| Office supplies and expenses | 0.55 | 0.48 | 0.48 |
| Professional fees | 0.54 | 0.63 | 0.61 |
| Taxes - business | 0.16 | 0.24 | 0.11 |
| Telephone | 0.49 | 0.49 | 0.54 |
| Other administrative expenses | 1.50 | 1.41 | 1.41 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.94 | 11.43 | 9.69 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.18 | 1.07 | 1.36 |
| Salaries and commissions - salesmen | 3.31 | 2.94 | 3.14 |
| Salaries - sales office clerical | 0.55 | 0.42 | 0.48 |
| Payroll taxes | 0.33 | 0.24 | 0.28 |
| Employee benefits | 0.33 | 0.27 | 0.35 |
| Advertising | 0.33 | 0.57 | 0.33 |
| Travel and entertainment | 0.95 | 0.85 | 0.87 |
| Other selling expenses | 0.52 | 1.05 | 0.68 |
| TOTAL SELLING EXPENSES | 7.50 | 7.41 | 7.49 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| 2.46% | 2.51% | 2.03% | 1.86% | 1.91% | 2.68% | 1.76% | 1.65% | 1.90% |
| 18.11 | 18.09 | 17.16 | 17.53 | 19.14 | 17.33 | 17.83 | 16.87 | 18.70 |
| 2.73 | 3.57 | 2.49 | 2.96 | 2.79 | 2.76 | 2.50 | 3.36 | 2.56 |
| 0.85 | 0.94 | 0.84 | 1.00 | 0.70 | 0.86 | 0.81 | 0.73 | 0.78 |
| 1.82 | 2.18 | 1.68 | 1.76 | 1.78 | 1.67 | 1.83 | 2.02 | 0.59 |
| 1.59 | 2.99 | 1.87 | 2.31 | 2.00 | 1.46 | 1.45 | 2.09 | 1.28 |
| 27.56 | 30.28 | 26.07 | 27.42 | 28.32 | 26.76 | 26.18 | 26.72 | 25.81 |
| | | | | | | | | |
| 0.21 | 0.41 | 0.33 | 0.27 | 0.29 | 0.20 | 0.13 | 0.39 | 0.28 |
| 3.23 | 2.81 | 2.66 | 2.74 | 2.76 | 3.12 | 2.48 | 2.70 | 2.74 |
| 0.22 | 0.19 | 0.14 | 0.27 | 0.17 | 0.13 | 0.13 | 0.13 | 0.28 |
| 0.23 | 0.37 | 0.27 | 0.11 | 0.08 | 0.32 | 0.27 | 0.23 | 0.08 |
| 0.63 | 0.54 | 0.54 | 0.56 | 0.56 | 0.61 | 0.75 | 0.53 | 0.33 |
| 1.29 | 1.16 | 1.46 | 1.20 | 1.32 | 1.63 | 2.26 | 1.80 | 1.47 |
| 1.32 | 1.26 | 1.13 | 1.29 | 1.06 | 1.14 | 1.03 | 0.77 | 0.76 |
| 0.92 | 0.46 | 0.72 | 0.28 | 0.72 | 1.54 | 1.25 | 0.36 | 0.70 |
| 8.05 | 7.20 | 7.25 | 6.72 | 6.96 | 8.69 | 8.30 | 6.91 | 6.64 |
| 2.11 | 2.09 | 2.23 | 2.18 | 2.11 | 1.74 | 2.11 | 1.77 | 1.43 |
| 0.88 | 1.12 | 1.21 | 1.62 | 1.21 | 0.98 | 0.95 | 0.99 | 1.05 |
| 1.50 | 1.18 | 1.42 | 1.19 | 1.08 | 1.32 | 1.61 | 1.18 | 1.35 |
| 0.56 | 0.74 | 0.83 | 0.98 | 0.84 | 0.68 | 0.84 | 0.52 | 0.56 |
| 5.05 | 5.13 | 5.69 | 5.97 | 5.24 | 4.72 | 5.51 | 4.46 | 4.39 |
| 13.10 | 12.33 | 12.94 | 12.69 | 12.20 | 13.41 | 13.81 | 11.37 | 11.03 |
| | | | | | | | | |
| 3.27 | 2.88 | 3.58 | 2.41 | 3.58 | 3.63 | 3.54 | 3.45 | 2.15 |
| 2.38 | 2.45 | 2.50 | 2.38 | 2.25 | 2.52 | 2.89 | 2.46 | 2.75 |
| 0.35 | 0.52 | 0.42 | 0.34 | 0.33 | 0.40 | 0.44 | 0.47 | 0.11 |
| 0.38 | 0.54 | 0.67 | 0.72 | 0.56 | 0.42 | 0.53 | 0.75 | 0.24 |
| 0.36 | 0.35 | 0.36 | 0.21 | 0.30 | 0.46 | 0.51 | 0.48 | 0.54 |
| 0.54 | 0.34 | 0.48 | 0.39 | 0.38 | 0.47 | 0.63 | 0.56 | 0.61 |
| 0.47 | 0.61 | 0.54 | 0.54 | 0.52 | 0.56 | 0.68 | 0.64 | 0.66 |
| 0.22 | 0.39 | 0.22 | 0.15 | 0.03 | 0.16 | 0.14 | 0.51 | 0.15 |
| 0.62 | 0.45 | 0.50 | 0.44 | 0.40 | 0.49 | 0.52 | 0.44 | 0.47 |
| 1.28 | 1.50 | 1.56 | 1.58 | 1.63 | 1.71 | 1.50 | 1.70 | 1.30 |
| 9.87 | 10.03 | 10.83 | 9.16 | 9.98 | 10.82 | 11.38 | 11.46 | 8.98 |
| | | | | | | | | |
| 1.27 | 1.28 | 1.47 | 1.64 | 1.33 | 1.36 | 1.34 | 1.21 | 1.10 |
| 3.44 | 2.91 | 3.33 | 3.66 | 3.52 | 2.98 | 3.70 | 3.59 | 3.37 |
| 0.67 | 0.92 | 0.62 | 0.59 | 0.47 | 0.67 | 0.29 | 0.42 | 0.60 |
| 0.32 | 0.29 | 0.29 | 0.30 | 0.26 | 0.24 | 0.30 | 0.35 | 0.09 |
| 0.26 | 0.42 | 0.40 | 0.33 | 0.30 | 0.20 | 0.29 | 0.36 | 0.17 |
| 0.46 | 0.38 | 0.61 | 0.37 | 0.31 | 0.63 | 0.63 | 0.58 | 0.50 |
| 0.88 | 0.74 | 0.85 | 1.08 | 0.79 | 0.72 | 0.89 | 1.05 | 0.94 |
| 0.64 | 0.79 | 0.64 | 0.91 | 0.54 | 0.43 | 0.93 | 0.42 | 0.60 |
| 7.94 | 7.73 | 8.21 | 8.88 | 7.52 | 7.23 | 8.37 | 7.98 | 7.37 |

## ALL PRINTERS BY GEOGRAPHIC REGION

## BALANCE SHEET

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| ASSETS | | | |
| CURRENT ASSETS - | | | |
| Cash | 6.40% | 11.59% | 8.92% |
| Receivables | 30.08 | 33.18 | 34.09 |
| Inventories | 14.13 | 14.06 | 13.05 |
| Other current assets | 6.75 | 2.98 | 5.00 |
| TOTAL CURRENT ASSETS | 57.36 | 61.81 | 61.06 |
| FIXED ASSETS | | | |
| Real estate | 9.35 | 6.03 | 9.42 |
| Less: Accumulated depreciation | 3.08 | 0.99 | 2.42 |
| | 6.27 | 5.04 | 7.00 |
| Machinery and equipment | 64.89 | 65.28 | 61.58 |
| Less: Accumulated depreciation | 36.00 | 39.83 | 35.70 |
| | 28.89 | 25.45 | 25.88 |
| Other fixed assets | 8.40 | 10.84 | 5.78 |
| Less: Accumulated depreciation | 4.74 | 5.42 | 3.19 |
| | 3.66 | 5.42 | 2.59 |
| NET FIXED ASSETS | 38.82 | 35.91 | 35.47 |
| OTHER ASSETS | 3.82 | 2.28 | 3.47 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 8.33 | 6.43 | 8.63 |
| Accounts payable | 15.14 | 16.96 | 15.77 |
| Other current liabilities | 9.18 | 9.67 | 9.13 |
| TOTAL CURRENT LIABILITIES | 32.65 | 33.06 | 33.53 |
| LONG-TERM LIABILITIES | 26.20 | 17.18 | 23.26 |
| TOTAL LIABILITIES | 58.85 | 50.24 | 56.79 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 41.15 | 49.76 | 43.21 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.76 | 1.87 | 1.82 |
| QUICK RATIO | 1.32 | 1.44 | 1.43 |
| TOTAL LIABILITIES TO EQUITY | 1.43 | 1.01 | 1.31 |
| LONG-TERM LIABILITIES TO EQUITY | 0.64 | 0.35 | 0.54 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.55 | 0.61 | 0.58 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| 7.59% | 4.56% | 8.59% | 6.88% | 6.48% | 9.66% | 9.19% | 7.50% | 3.07% |
| 28.99 | 32.27 | 29.74 | 32.39 | 30.49 | 31.55 | 33.03 | 30.39 | 36.11 |
| 13.75 | 14.16 | 15.22 | 16.87 | 13.84 | 12.54 | 10.45 | 13.78 | 14.73 |
| 4.26 | 4.91 | 4.79 | 4.00 | 4.98 | 3.86 | 3.79 | 4.46 | 4.48 |
| 54.59 | 55.90 | 58.34 | 60.14 | 55.79 | 57.61 | 56.46 | 56.13 | 58.39 |
| 7.86 | 15.46 | 10.43 | 11.41 | 11.18 | 9.54 | 5.58 | 8.20 | 10.22 |
| 2.66 | 5.02 | 3.20 | 3.70 | 2.75 | 2.63 | 1.93 | 2.50 | 2.25 |
| 5.20 | 10.44 | 7.23 | 7.71 | 8.43 | 6.91 | 3.65 | 5.70 | 7.97 |
| 65.93 | 63.34 | 61.01 | 64.31 | 60.59 | 61.58 | 61.89 | 56.87 | 57.41 |
| 33.58 | 36.45 | 34.33 | 39.43 | 31.87 | 33.77 | 31.63 | 28.86 | 29.98 |
| 32.35 | 26.89 | 26.68 | 24.88 | 28.72 | 27.81 | 30.26 | 28.01 | 27.43 |
| 8.20 | 5.90 | 8.61 | 5.67 | 5.80 | 7.41 | 7.72 | 8.70 | 4.42 |
| 3.47 | 2.74 | 4.30 | 2.96 | 3.11 | 3.58 | 3.59 | 4.10 | 2.32 |
| 4.73 | 3.16 | 4.31 | 2.71 | 2.69 | 3.83 | 4.13 | 4.60 | 2.10 |
| 42.28 | 40.49 | 38.22 | 35.30 | 39.84 | 38.55 | 38.04 | 38.31 | 37.50 |
| 3.13 | 3.61 | 3.44 | 4.56 | 4.37 | 3.84 | 5.50 | 5.56 | 4.11 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | | | | | |
| 8.09 | 7.90 | 9.20 | 9.23 | 8.63 | 7.42 | 7.35 | 8.75 | 9.47 |
| 12.20 | 12.42 | 14.01 | 13.84 | 11.94 | 12.43 | 14.00 | 11.65 | 18.36 |
| 6.74 | 10.51 | 9.00 | 8.67 | 10.43 | 8.05 | 9.51 | 10.75 | 10.90 |
| 27.03 | 30.83 | 32.21 | 31.74 | 31.00 | 27.90 | 30.86 | 31.15 | 38.73 |
| 28.44 | 26.28 | 24.47 | 23.73 | 29.30 | 24.17 | 25.64 | 26.76 | 26.22 |
| 55.47 | 57.11 | 56.68 | 55.47 | 60.30 | 52.07 | 56.50 | 57.91 | 64.95 |
| 44.53 | 42.89 | 43.32 | 44.53 | 39.70 | 47.93 | 43.50 | 42.09 | 35.05 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | | | | | |
| 2.02 | 1.81 | 1.81 | 1.89 | 1.80 | 2.06 | 1.83 | 1.80 | 1.51 |
| 1.51 | 1.35 | 1.34 | 1.36 | 1.35 | 1.62 | 1.49 | 1.36 | 1.13 |
| 1.25 | 1.33 | 1.31 | 1.25 | 1.52 | 1.09 | 1.30 | 1.38 | 1.85 |
| 0.64 | 0.61 | 0.56 | 0.53 | 0.74 | 0.50 | 0.59 | 0.64 | 0.75 |
| 0.51 | 0.58 | 0.56 | 0.61 | 0.53 | 0.55 | 0.51 | 0.51 | 0.52 |

## ALL PRINTERS BY GEOGRAPHIC REGION

### SIGNIFICANT FACTS

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 27,389 | $ 38,685 | $ 29,674 |
| Average assets per factory employee (Excluding Executives) | 44,513 | 58,106 | 40,456 |
| Average net worth per employee - All employees | 11,652 | 20,138 | 12,926 |
| Average gross plant investment per factory employee (Excluding Executives) | 35,353 | 45,399 | 30,317 |
| Net worth percentage of fixed assets | 122.87% | 350.91% | 155.81% |
| EMPLOYEES | | | |
| Percent factory - All employees | 75.72% | 73.83% | 76.83% |
| Percent administrative - All employees | 14.44 | 17.64 | 13.63 |
| Percent sales - All employees | 9.84 | 8.53 | 9.54 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 51,424 | $ 79,400 | $ 62,070 |
| Sales per factory employee | 72,194 | 109,945 | 82,429 |
| Sales less material per factory employee | 47,655 | 68,589 | 50,112 |
| Sales per administrative employee | 443,671 | 615,035 | 588,863 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 57,932 | 89,923 | 69,248 |
| Sales per factory employee | 82,476 | 119,411 | 86,179 |
| Sales less material per factory employee | 54,875 | 75,142 | 52,443 |
| SALES PER SALESMAN | 815,269 | 676,702 | 739,115 |
| SALES TO CURRENT ASSETS | 380% | 399% | 393% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 42.53% | 38.76% | 39.68% |
| Factory payroll percentage of gross plant investment | 79.22 | 86.56 | 95.06 |
| Payroll per employee - All employees | $ 21,324 | $ 29,331 | $ 23,696 |
| Payroll per factory employee | 20,854 | 27,116 | 21,685 |
| Payroll per administrative employee | 26,422 | 33,968 | 28,259 |
| Payroll per sales employee | 30,747 | 42,307 | 37,999 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 16,959 | $ 21,526 | $ 18,505 |
| Payroll per factory employee | 18,988 | 21,743 | 17,907 |
| Payroll per administrative employee | 13,972 | 16,060 | 14,776 |
| Payroll per sales employee | 24,268 | 29,840 | 28,176 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 42,741 | 55,570 | 46,740 |
| Payroll per factory executive | 27,788 | 31,550 | 27,139 |
| Payroll per administrative executive | 49,311 | 67,823 | 49,106 |
| Payroll per sales executive | 30,033 | 46,989 | 36,871 |
| RECEIVABLES | | | |
| Collection period | 54.1 | 54.5 | 56.1 |
| PROFIT | | | |
| Gross profit percentage of sales | 23.22% | 25.59% | 22.67% |
| Average gross profit per factory employee | $ 19,418 | $ 32,087 | $ 19,847 |
| Income before taxes percentage of sales | 3.78% | 5.58% | 4.41% |
| Average income before taxes per employee | $ 2,148 | $ 5,244 | $ 2,985 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| $ 23,311 | $ 26,429 | $ 27,886 | $ 37,777 | $ 33,171 | $ 28,462 | $ 27,012 | $ 37,730 | $ 36,652 |
| 33,721 | 39,605 | 39,770 | 77,519 | 50,747 | 41,339 | 44,040 | 71,664 | 53,304 |
| 10,288 | 11,900 | 12,288 | 17,509 | 12,733 | 13,327 | 10,894 | 14,835 | 13,763 |
| 27,024 | 33,659 | 30,847 | 57,966 | 38,602 | 32,638 | 32,025 | 46,041 | 37,145 |
| 130.90% | 131.48% | 145.34% | 167.24% | 148.16% | 170.06% | 153.39% | 137.77% | 184.85% |
| 76.66% | 76.76% | 75.35% | 75.53% | 75.79% | 74.28% | 72.50% | 71.36% | 73.97% |
| 12.67 | 13.43 | 14.17 | 12.88 | 13.21 | 15.78 | 16.91 | 16.17 | 14.88 |
| 10.67 | 9.81 | 10.48 | 11.59 | 11.00 | 9.94 | 10.59 | 12.47 | 11.15 |
| $ 47,031 | $ 53,431 | $ 56,116 | $ 77,050 | $ 63,060 | $ 54,284 | $ 57,881 | $ 70,396 | $ 63,240 |
| 62,965 | 70,447 | 75,285 | 131,599 | 87,673 | 74,040 | 82,469 | 110,130 | 86,666 |
| 40,196 | 45,536 | 46,464 | 83,152 | 54,908 | 46,543 | 52,102 | 67,403 | 52,037 |
| 451,218 | 620,361 | 521,259 | 718,308 | 666,520 | 447,357 | 456,944 | 515,895 | 543,792 |
| 52,553 | 60,134 | 63,623 | 86,698 | 71,009 | 63,059 | 67,876 | 81,598 | 70,715 |
| 66,986 | 80,727 | 80,859 | 164,318 | 96,932 | 79,497 | 93,556 | 131,573 | 93,216 |
| 42,778 | 51,709 | 49,924 | 104,238 | 60,892 | 50,055 | 58,859 | 80,091 | 56,129 |
| 614,351 | 578,979 | 674,661 | 682,030 | $1,042,480 | 474,059 | 521,565 | 416,477 | 600,468 |
| 425% | 409% | 419% | 394% | 397% | 418% | 478% | 396% | 361% |
| 39.89% | 42.49% | 39.37% | 39.79% | 40.91% | 39.18% | 39.49% | 39.78% | 36.40% |
| 87.85 | 87.33 | 85.11 | 91.55 | 86.56 | 102.40 | 100.08 | 80.42 | 91.82 |
| $ 18,157 | $ 22,595 | $ 21,404 | $ 29,309 | $ 25,181 | $ 20,272 | $ 22,488 | $ 27,008 | $ 22,005 |
| 16,379 | 21,083 | 18,781 | 34,378 | 24,703 | 18,716 | 20,544 | 27,393 | 21,178 |
| 23,538 | 26,911 | 29,345 | 32,559 | 30,495 | 23,358 | 25,083 | 28,940 | 21,114 |
| 25,774 | 31,568 | 34,207 | 41,828 | 35,153 | 27,837 | 29,967 | 30,584 | 28,762 |
| $ 14,335 | $ 17,214 | $ 16,354 | $ 23,254 | $ 20,304 | $ 16,135 | $ 18,460 | $ 21,410 | $ 19,404 |
| 13,706 | 16,712 | 15,564 | 32,966 | 22,147 | 15,705 | 18,464 | 25,070 | 19,052 |
| 11,868 | 13,687 | 14,829 | 16,692 | 14,266 | 12,487 | 14,033 | 14,546 | 14,720 |
| 20,756 | 25,295 | 26,447 | 32,516 | 26,278 | 22,201 | 23,362 | 23,730 | 25,318 |
| 34,210 | 36,859 | 42,715 | 48,978 | 44,682 | 36,198 | 32,986 | 39,578 | 32,949 |
| 23,513 | 26,673 | 26,662 | 30,245 | 27,023 | 24,218 | 20,649 | 21,730 | 28,559 |
| 40,900 | 41,365 | 52,110 | 58,423 | 57,081 | 38,309 | 38,126 | 47,666 | 33,186 |
| 28,401 | 37,447 | 39,082 | 44,989 | 38,232 | 28,061 | 23,376 | 27,188 | 27,175 |
| 51.5 | 56.2 | 50.9 | 54.5 | 54.7 | 58.3 | 53.1 | 57.0 | 71.7 |
| 23.66% | 22.78% | 24.00% | 23.36% | 22.85% | 24.04% | 24.67% | 25.15% | 24.74% |
| $ 16,741 | $ 18,731 | $ 19,535 | $ 40,712 | $ 21,743 | $ 19,338 | $ 23,454 | $ 32,664 | $ 23,319 |
| 4.40% | 3.41% | 4.27% | 4.26% | 3.66% | 5.31% | 3.71% | 4.41% | 6.67% |
| $ 2,411 | $ 1,959 | $ 2,604 | $ 4,234 | $ 2,624 | $ 3,238 | $ 2,115 | $ 3,192 | $ 4,575 |

## ALL PRINTERS BY GEOGRAPHIC REGION

## RETURN ON INVESTMENT - PER $100 OF SALES

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 3.64 | $ 5.65 | $ 4.09 |
| Receivables | 14.54 | 14.33 | 15.07 |
| Inventories | 6.76 | 5.92 | 6.12 |
| Marketable securities | 2.20 | 0.10 | 1.08 |
| Other current assets | 2.00 | 1.28 | 1.31 |
| | 29.14 | 27.28 | 27.67 |
| Plant Investment: | | | |
| Land and building | 5.49 | 4.58 | 5.63 |
| Machinery and equipment | 32.64 | 30.34 | 28.02 |
| Other fixed assets | 3.79 | 4.43 | 2.47 |
| | 41.92 | 39.35 | 36.12 |
| Non-Current Assets | 2.22 | 0.99 | 1.64 |
| TOTAL INVESTMENT | 73.28 | 67.62 | 65.43 |
| INVESTMENT TURNOVER PER $100 OF SALES | 136.46% | 147.89% | 152.84% |
| EARNINGS | | | |
| Cost of Product | $76.78 | $74.41 | $77.33 |
| Selling Expenses | 7.50 | 7.41 | 7.49 |
| Administrative Expenses | 10.94 | 11.43 | 9.69 |
| | 95.22 | 93.25 | 94.51 |
| Income Before Interest, Other Income, and Taxes | 4.78 | 6.75 | 5.49 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 6.52% | 9.98% | 8.39% |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| $ 3.69 | $ 2.21 | $ 4.07 | $ 3.16 | $ 2.82 | $ 4.89 | $ 3.84 | $ 3.88 | $ 1.82 |
| 13.78 | 15.06 | 13.70 | 14.67 | 14.65 | 15.65 | 13.98 | 15.10 | 19.10 |
| 6.50 | 7.06 | 7.32 | 8.52 | 6.89 | 6.67 | 4.72 | 7.20 | 8.03 |
| 0.60 | 0.97 | 1.37 | 0.66 | 1.91 | 0.47 | 0.29 | 0.62 | 0.71 |
| 1.66 | 2.02 | 1.17 | 1.28 | 1.06 | 1.44 | 1.51 | 1.89 | 2.09 |
| 26.23 | 27.32 | 27.63 | 28.29 | 27.33 | 29.12 | 24.34 | 28.69 | 31.75 |
| 4.40 | 10.43 | 5.66 | 7.05 | 7.32 | 13.88 | 2.89 | 5.59 | 6.96 |
| 32.65 | 29.53 | 28.99 | 29.56 | 31.06 | 31.32 | 26.55 | 28.63 | 31.38 |
| 3.97 | 2.85 | 3.92 | 2.91 | 2.58 | 4.01 | 3.52 | 3.99 | 2.18 |
| 41.02 | 42.81 | 38.57 | 39.32 | 40.96 | 49.21 | 32.96 | 38.21 | 40.52 |
| 1.51 | 1.90 | 1.74 | 2.57 | 2.40 | 2.09 | 3.08 | 3.33 | 2.69 |
| 68.76 | 72.03 | 67.94 | 70.38 | 70.69 | 80.42 | 60.38 | 70.23 | 74.96 |
| 145.43% | 138.83% | 147.19% | 142.09% | 141.46% | 124.35% | 165.62% | 142.39% | 133.40% |
| $76.34 | $77.22 | $76.00 | $76.64 | $77.15 | $75.96 | $75.33 | $74.85 | $75.26 |
| 7.94 | 7.73 | 8.21 | 8.88 | 7.52 | 7.23 | 8.37 | 7.98 | 7.37 |
| 9.87 | 10.03 | 10.83 | 9.16 | 9.98 | 10.82 | 11.38 | 11.46 | 8.98 |
| 94.15 | 94.98 | 95.04 | 94.68 | 94.65 | 94.01 | 95.08 | 94.29 | 91.61 |
| 5.85 | 5.02 | 4.96 | 5.32 | 5.35 | 5.99 | 4.92 | 5.71 | 8.39 |
| 8.51% | 6.97% | 7.30% | 7.56% | 7.57% | 7.45% | 8.15% | 8.13% | 11.19% |

## ABSOLUTE DATA

| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
|---|---|---|---|---|
| TOTAL - ALL PRINTING FIRMS | 944 | $2,673,000 | $4,887,000 | $278,000 |
| ALL PRINTERS BY GEOGRAPHIC REGION | | | | |
| New England and Up-State New York | 83 | 2,251,000 | 3,978,000 | 157,000 |
| Metropolitan New York and New Jersey | 16 | 3,177,000 | 6,593,000 | 506,000 |
| Eastern Penna., Maryland and D.C. | 74 | 3,322,000 | 6,511,000 | 360,000 |
| Southeast Atlantic | 89 | 1,814,000 | 3,783,000 | 231,000 |
| East North Central | 37 | 2,279,000 | 4,752,000 | 225,000 |
| South Central | 86 | 2,705,000 | 5,201,000 | 281,000 |
| Chicago Area | 73 | 3,690,000 | 7,039,000 | 417,000 |
| West North Central | 60 | 4,304,000 | 7,058,000 | 434,000 |
| Plains and Mountain States | 116 | 1,486,000 | 2,924,000 | 164,000 |
| Pacific Southwest | 71 | 2,696,000 | 5,375,000 | 239,000 |
| Pacific Northwest | 67 | 2,244,000 | 3,820,000 | 120,000 |
| Canada | 172 | 3,020,000 | 4,776,000 | 353,000 |

### HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| Firm | Sales | Factory Payroll | % of Sales Firm's Ratio Factory Payroll | PIA Ratios Factory Payroll |
|---|---|---|---|---|
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = 20.7% | |

---

** Unlike the ratios shown in this book, these figures are arithmetic averages.

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**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# Sheetfed Printers

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*Printing Industries of America Inc.*

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR SHEETFED PRINTERS. This year a total of 739 firms classified as sheetfed printers in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance. Among these respondents, 169 firms may be considered "Profit Leaders", earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the ratios and statistics by sales volume - for example, sales from 0 to $250,000, from $250,000 to $500,000, etc.; and by geographic area - for example, New England and Up-State New York, Metropolitan New York and New Jersey, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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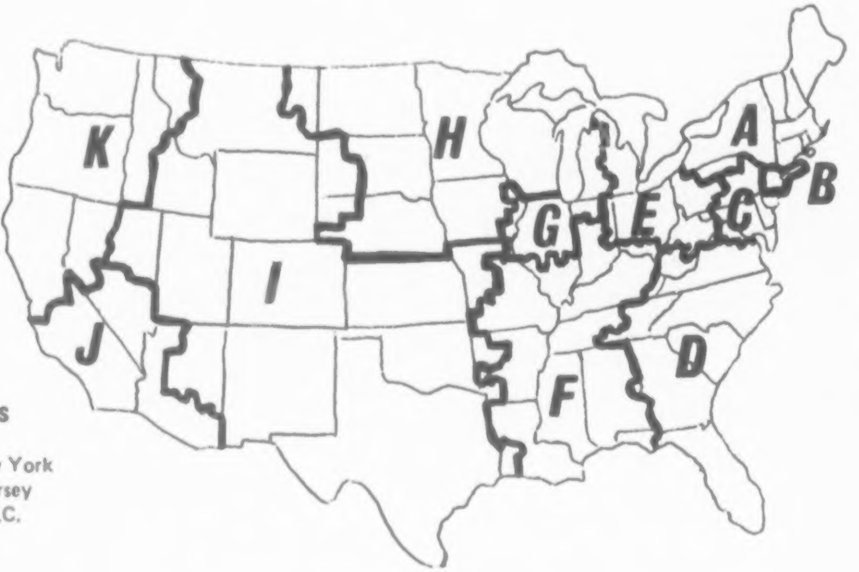

**CONSOLIDATED REGIONS**

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

## What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

| | | |
|---|---|---|
| SALES | | $100 |
| LESS: MATERIALS | | |
| Paper | $22 | |
| Other chargeable materials | 6 | |
| Outside services | 7 | |
| | | 35 |
| VALUE ADDED | | $ 65 |

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

## "Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

## Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

## Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

## Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

## Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 42.93 | 38.31 | 43.54 | 32.89 | 41.69 | 41.68 |
| FACTORY EXPENSES | 19.11 | 17.50 | 22.87 | 22.67 | 21.01 | 18.76 |
| TOTAL FACTORY COST OF PRODUCT | 62.04 | 55.81 | 66.41 | 55.56 | 62.70 | 60.44 |
| GROSS PROFIT | 37.96 | 44.19 | 33.59 | 44.44 | 37.30 | 39.56 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | | | |
| Administrative expenses | 16.54 | 14.45 | 17.55 | 14.37 | 21.52 | 15.88 |
| Selling expenses | 12.67 | 11.49 | 7.90 | 5.00 | 8.49 | 6.96 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 29.21 | 25.94 | 25.45 | 19.37 | 30.01 | 22.84 |
| INCOME BEFORE INTEREST EXPENSE | 8.75 | 18.25 | 8.14 | 25.07 | 7.29 | 16.72 |
| Interest expense | 3.32 | 1.98 | 4.09 | 3.97 | 3.36 | 1.90 |
| OPERATING INCOME | 5.43 | 16.27 | 4.05 | 21.10 | 3.93 | 14.82 |
| Other income | 1.30 | 1.94 | 2.47 | 0.35 | 1.21 | 3.80 |
| INCOME BEFORE INCOME TAXES | 6.73 | 18.21 | 6.52 | 21.45 | 5.14 | 18.62 |

* See Page 10 for the definition of "Profit Leaders".

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X | X | X |
| X | X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 41.26 | 37.37 | 43.35 | 37.36 | 44.63 | 38.60 | 48.00 | 44.01 |
| 19.04 | 16.57 | 18.28 | 16.72 | 18.91 | 17.99 | 19.32 | 18.00 |
| 60.30 | 53.94 | 61.63 | 54.08 | 63.54 | 56.59 | 67.32 | 62.01 |
| 39.70 | 46.06 | 38.37 | 45.92 | 36.46 | 43.41 | 32.68 | 37.99 |
| 19.10 | 16.48 | 15.23 | 14.77 | 12.06 | 11.98 | 9.96 | 8.82 |
| 12.16 | 11.16 | 14.10 | 12.49 | 14.92 | 14.53 | 12.32 | 12.45 |
| 31.26 | 27.64 | 29.33 | 27.26 | 26.98 | 26.51 | 22.28 | 21.27 |
| 8.44 | 18.42 | 9.04 | 18.66 | 9.48 | 16.90 | 10.40 | 16.72 |
| 3.17 | 1.99 | 3.40 | 1.81 | 3.36 | 2.29 | 2.67 | 0.72 |
| 5.27 | 16.43 | 5.64 | 16.85 | 6.12 | 14.61 | 7.73 | 16.00 |
| 1.26 | 1.64 | 1.14 | 1.52 | 1.71 | 2.47 | 1.26 | 1.74 |
| 6.53 | 18.07 | 6.78 | 18.37 | 7.83 | 17.08 | 8.99 | 17.74 |

## SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | | | |
| Salaries - executive | 3.29% | 3.33% | 9.76% | 5.85% | 3.61% | 4.98% |
| Direct wages | 28.95 | 25.89 | 25.12 | 18.59 | 28.44 | 28.75 |
| General factory salaries and wages | 4.13 | 3.58 | 4.17 | 5.07 | 4.20 | 2.72 |
| Packing, shipping and delivery wages | 1.30 | 1.07 | 0.36 | 0.22 | 1.04 | 1.00 |
| Payroll taxes | 2.51 | 1.92 | 2.76 | 2.00 | 2.60 | 2.42 |
| Employee benefits | 2.75 | 2.52 | 1.37 | 1.16 | 1.80 | 1.81 |
| TOTAL FACTORY PAYROLL | 42.93 | 38.31 | 43.54 | 32.89 | 41.69 | 41.68 |
| FACTORY EXPENSES | | | | | | |
| Fixed Expenses | | | | | | |
| Depreciation - real estate | 0.41 | 0.43 | 0.50 | 0.97 | 0.46 | 0.46 |
| Depreciation - other | 4.45 | 4.43 | 5.59 | 6.13 | 5.11 | 4.17 |
| Taxes - real estate | 0.30 | 0.30 | 0.26 | 0.07 | 0.21 | 0.15 |
| Taxes - other | 0.30 | 0.28 | 0.35 | 0.62 | 0.38 | 0.54 |
| Insurance | 0.93 | 0.80 | 1.65 | 1.22 | 1.43 | 1.57 |
| Building rent | 2.38 | 2.05 | 4.64 | 5.37 | 3.89 | 2.42 |
| Utilities - heat, light, etc. | 1.70 | 1.47 | 2.10 | 1.73 | 2.03 | 1.76 |
| Equipment rental | 0.85 | 0.73 | 2.19 | 2.30 | 0.67 | 0.80 |
| Total Fixed Expenses | [illegible].32 | 10.49 | 17.28 | 18.41 | 14.18 | 11.87 |
| Other Expenses | | | | | | |
| Factory supplies and expense | 3.06 | 2.70 | 1.50 | 1.13 | 2.28 | 2.47 |
| Packing, shipping and delivery expense | 1.64 | 1.56 | 1.47 | 1.19 | 1.65 | 1.54 |
| Repairs and maintenance | 1.99 | 1.79 | 1.79 | 1.17 | 2.03 | 1.73 |
| Other factory expenses | 1.10 | 0.96 | 0.83 | 0.77 | 0.87 | 1.15 |
| Total Other Expenses | 7.79 | 7.01 | 5.59 | 4.26 | 6.83 | 6.89 |
| TOTAL FACTORY EXPENSES | 19.11 | 17.50 | 22.87 | 22.67 | 21.01 | 18.76 |
| ADMINISTRATIVE EXPENSES | | | | | | |
| Salaries - executive | 5.06 | 4.50 | 4.12 | 2.36 | 7.70 | 5.54 |
| Salaries - office | 4.26 | 3.75 | 5.62 | 4.83 | 5.27 | 3.65 |
| Payroll taxes | 0.57 | 0.40 | 0.48 | 0.35 | 0.91 | 0.49 |
| Employee benefits | 0.83 | 0.71 | 0.39 | 0.20 | 0.79 | 0.49 |
| Bad debts | 0.66 | 0.51 | 0.65 | 0.92 | 0.76 | 0.23 |
| Office supplies and expenses | 0.85 | 0.78 | 1.30 | 1.29 | 0.94 | 0.93 |
| Professional fees | 0.93 | 0.91 | 1.29 | 1.60 | 1.27 | 1.22 |
| Taxes - business | 0.31 | 0.25 | 0.25 | 0.18 | 0.35 | 0.23 |
| Telephone | 0.77 | 0.68 | 1.42 | 1.13 | 1.07 | 0.91 |
| Other administrative expenses | 2.30 | 1.96 | 2.03 | 1.51 | 2.46 | 2.19 |
| TOTAL ADMINISTRATIVE EXPENSES | 16.54 | 14.45 | 17.55 | 14.37 | 21.52 | 15.88 |
| SELLING EXPENSES | | | | | | |
| Salaries - executive | 2.18 | 2.27 | 2.43 | 1.47 | 2.00 | 1.54 |
| Salaries and commissions - salesmen | 5.60 | 4.72 | 1.07 | 0.53 | 2.26 | 1.38 |
| Salaries - sales office clerical | 0.88 | 0.95 | 0.26 | 0.07 | 0.67 | 1.01 |
| Payroll taxes | 0.42 | 0.34 | 0.23 | 0.07 | 0.29 | 0.27 |
| Employee benefits | 0.46 | 0.45 | 0.12 | 0.12 | 0.19 | 0.17 |
| Advertising | 0.73 | 0.64 | 1.43 | 1.45 | 1.15 | 0.67 |
| Travel and entertainment | 1.47 | 1.28 | 2.14 | 1.04 | 1.28 | 0.95 |
| Other selling expenses | 0.93 | 0.84 | 0.22 | 0.25 | 0.65 | 0.97 |
| TOTAL SELLING EXPENSES | 12.67 | 11.49 | 7.90 | 5.00 | 8.49 | 6.96 |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 3.18% | 3.31% | 2.91% | 2.97% | 2.63% | 2.66% | 2.60% | 2.32% |
| 28.33 | 25.62 | 29.65 | 26.02 | 29.80 | 25.95 | 29.42 | 26.07 |
| 3.95 | 3.89 | 3.92 | 3.09 | 4.37 | 3.25 | 6.12 | 6.35 |
| 1.21 | 0.97 | 1.46 | 1.16 | 1.43 | 1.27 | 1.60 | 1.20 |
| 2.36 | 1.67 | 2.48 | 1.85 | 2.68 | 1.92 | 2.87 | 2.33 |
| 2.23 | 1.91 | 2.93 | 2.27 | 3.72 | 3.55 | 5.39 | 5.74 |
| 41.26 | 37.37 | 43.35 | 37.36 | 44.63 | 38.60 | 48.00 | 44.01 |
| | | | | | | | |
| 0.41 | 0.34 | 0.32 | 0.36 | 0.56 | 0.43 | 0.65 | 0.72 |
| 4.13 | 4.19 | 4.46 | 4.50 | 4.26 | 4.64 | 4.17 | 3.88 |
| 0.32 | 0.32 | 0.29 | 0.28 | 0.38 | 0.42 | 0.43 | 0.50 |
| 0.26 | 0.19 | 0.28 | 0.21 | 0.34 | 0.24 | 0.34 | 0.39 |
| 1.05 | 0.77 | 0.79 | 0.79 | 0.56 | 0.39 | 0.39 | 0.26 |
| 2.89 | 2.25 | 1.86 | 1.93 | 1.28 | 1.39 | 0.72 | 0.55 |
| 1.59 | 1.29 | 1.60 | 1.30 | 1.86 | 1.68 | 1.76 | 1.74 |
| 1.05 | 0.98 | 0.74 | 0.46 | 0.45 | 0.20 | 0.80 | 1.26 |
| 11.70 | 10.33 | 10.34 | 9.83 | 9.69 | 9.39 | 9.26 | 9.30 |
| 2.77 | 2.39 | 3.42 | 2.63 | 3.72 | 3.74 | 3.59 | 3.15 |
| 1.77 | 1.41 | 1.50 | 1.59 | 1.67 | 2.07 | 2.04 | 0.96 |
| 1.84 | 1.78 | 1.97 | 1.74 | 2.27 | 1.85 | 2.39 | 2.43 |
| 0.96 | 0.66 | 1.05 | 0.93 | 1.56 | 0.94 | 2.04 | 2.16 |
| 7.34 | 6.24 | 7.94 | 6.89 | 9.22 | 8.60 | 10.06 | 8.70 |
| 19.04 | 16.57 | 18.28 | 16.72 | 18.91 | 17.99 | 19.32 | 18.00 |
| | | | | | | | |
| 6.26 | 5.67 | 4.45 | 4.59 | 3.15 | 3.45 | 1.97 | 2.02 |
| 4.80 | 4.42 | 4.05 | 4.09 | 2.86 | 2.44 | 2.56 | 2.20 |
| 0.70 | 0.41 | 0.49 | 0.46 | 0.36 | 0.27 | 0.32 | 0.28 |
| 0.89 | 0.67 | 0.86 | 0.79 | 0.82 | 0.89 | 0.61 | 0.66 |
| 0.74 | 0.68 | 0.57 | 0.40 | 0.69 | 0.56 | 0.58 | 0.45 |
| 1.00 | 0.94 | 0.80 | 0.67 | 0.60 | 0.70 | 0.38 | 0.35 |
| 0.94 | 0.94 | 0.86 | 0.83 | 0.77 | 0.76 | 0.64 | 0.52 |
| 0.38 | 0.21 | 0.31 | 0.36 | 0.19 | 0.14 | 0.18 | 0.21 |
| 0.77 | 0.75 | 0.69 | 0.61 | 0.60 | 0.52 | 0.50 | 0.38 |
| 2.62 | 1.79 | 2.15 | 1.97 | 2.02 | 2.25 | 2.22 | 1.75 |
| 19.10 | 16.48 | 15.23 | 14.77 | 12.06 | 11.98 | 9.96 | 8.82 |
| 2.67 | 3.39 | 2.07 | 2.12 | 1.81 | 2.13 | 1.21 | 0.99 |
| 4.95 | 3.63 | 6.93 | 5.99 | 7.34 | 6.77 | 5.96 | 6.01 |
| 0.64 | 0.68 | 0.98 | 0.73 | 1.40 | 1.88 | 1.28 | 1.32 |
| 0.42 | 0.31 | 0.48 | 0.40 | 0.47 | 0.38 | 0.31 | 0.30 |
| 0.39 | 0.33 | 0.52 | 0.48 | 0.72 | 0.74 | 0.66 | 0.77 |
| 0.78 | 0.55 | 0.58 | 0.61 | 0.53 | 0.61 | 0.52 | 0.55 |
| 1.45 | 1.35 | 1.54 | 1.42 | 1.36 | 1.21 | 1.20 | 1.27 |
| 0.86 | 0.92 | 1.00 | 0.74 | 1.29 | 0.81 | 1.18 | 1.24 |
| 12.16 | 11.16 | 14.10 | 12.49 | 14.92 | 14.53 | 12.32 | 12.45 |

## REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | | | |
| MATERIAL | | | | | | |
| Paper | 21.82 | 20.97 | 21.95 | 21.74 | 21.77 | 21.68 |
| Other chargeable materials | 5.22 | 4.60 | 4.66 | 2.73 | 4.28 | 1.97 |
| Outside services | 8.66 | 8.70 | 8.04 | 5.72 | 7.60 | 8.31 |
| TOTAL MATERIAL | 35.70 | 34.27 | 34.65 | 30.19 | 33.65 | 31.96 |
| FACTORY PAYROLL | 27.59 | 25.19 | 28.48 | 23.40 | 27.68 | 28.44 |
| FACTORY EXPENSES | 12.30 | 11.54 | 14.98 | 16.01 | 13.87 | 12.82 |
| TOTAL FACTORY COST OF PRODUCT | 75.59 | 71.00 | 78.11 | 69.60 | 75.20 | 73.22 |
| GROSS PROFIT | 24.41 | 29.00 | 21.89 | 30.40 | 24.80 | 26.78 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | | | |
| Administrative expenses | 10.67 | 9.61 | 11.45 | 9.93 | 14.12 | 10.89 |
| Selling expenses | 8.10 | 7.57 | 5.09 | 3.54 | 5.66 | 4.76 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 18.77 | 17.18 | 16.54 | 13.47 | 19.78 | 15.65 |
| INCOME BEFORE INTEREST EXPENSE | 5.64 | 11.82 | 5.35 | 16.93 | 5.02 | 11.13 |
| Interest expense | 2.10 | 1.27 | 2.78 | 2.82 | 2.19 | 1.27 |
| OPERATING INCOME | 3.54 | 10.55 | 2.57 | 14.11 | 2.83 | 9.86 |
| Other income | 0.81 | 1.26 | 1.77 | 0.25 | 0.74 | 2.65 |
| INCOME BEFORE INCOME TAXES | 4.35 | 11.81 | 4.34 | 14.36 | 3.57 | 12.51 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
|---|---|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | | | |
| Ink | 1.30% | 1.10% | 1.12% | 0.58% | 0.81% | 0.34% |
| Film | 1.28 | 1.24 | 1.25 | 0.83 | 1.02 | 0.61 |
| Plates | 1.32 | 1.08 | 1.60 | 0.70 | 0.92 | 0.43 |
| Other chargeable materials | 1.32 | 1.18 | 0.69 | 0.62 | 1.53 | 0.59 |
| TOTAL OTHER CHARGEABLE MATERIALS | 5.22 | 4.60 | 4.66 | 2.73 | 4.28 | 1.97 |
| OUTSIDE SERVICES | | | | | | |
| Composition | 1.12 | 0.96 | 1.85 | 1.58 | 0.81 | 0.83 |
| Offset preparation | 1.56 | 1.91 | 0.86 | 0.41 | 0.76 | 0.85 |
| Printing | 2.15 | 2.30 | 3.06 | 2.69 | 3.90 | 4.64 |
| Binding | 2.03 | 2.17 | 0.73 | 0.59 | 1.35 | 1.72 |
| Other outside services | 1.80 | 1.36 | 1.54 | 0.45 | 0.78 | 0.27 |
| TOTAL OUTSIDE SERVICES | 8.66 | 8.70 | 8.04 | 5.72 | 7.60 | 8.31 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5.000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 20.83 | 19.82 | 22.19 | 21.18 | 22.48 | 21.27 | 23.16 | 21.70 |
| 4.80 | 4.96 | 5.41 | 4.63 | 6.11 | 5.73 | 6.86 | 6.15 |
| 8.25 | 8.57 | 9.34 | 9.71 | 8.98 | 8.31 | 7.78 | 7.74 |
| 33.88 | 33.35 | 36.94 | 35.52 | 37.57 | 35.31 | 37.80 | 35.59 |
| 27.33 | 24.90 | 27.32 | 24.13 | 27.83 | 24.75 | 29.89 | 28.48 |
| 12.66 | 11.13 | 11.53 | 10.77 | 11.75 | 11.62 | 11.88 | 11.49 |
| 73.87 | 69.38 | 75.79 | 70.42 | 77.15 | 71.68 | 79.57 | 75.56 |
| 26.13 | 30.62 | 24.21 | 29.58 | 22.85 | 28.32 | 20.43 | 24.44 |
| 12.67 | 11.04 | 9.61 | 9.64 | 7.47 | 7.89 | 6.23 | 5.82 |
| 7.96 | 7.45 | 8.88 | 8.07 | 9.35 | 9.64 | 7.67 | 8.03 |
| 20.63 | 18.49 | 18.49 | 17.71 | 16.82 | 17.53 | 13.90 | 13.85 |
| 5.50 | 12.13 | 5.72 | 11.87 | 6.03 | 10.79 | 6.53 | 10.59 |
| 2.07 | 1.32 | 2.12 | 1.12 | 2.03 | 1.38 | 1.55 | 0.41 |
| 3.43 | 10.81 | 3.60 | 10.75 | 4.00 | 9.41 | 4.98 | 10.18 |
| 0.81 | 1.05 | 0.70 | 0.97 | 1.02 | 1.50 | 0.67 | 1.12 |
| 4.24 | 11.86 | 4.30 | 11.72 | 5.02 | 10.91 | 5.65 | 11.30 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 0.94% | 0.97% | 1.41% | 1.27% | 1.93% | 1.52% | 2.06% | 1.10% |
| 1.26 | 2.00 | 1.29 | 1.12 | 1.41 | 1.06 | 1.67 | 1.75 |
| 1.34 | 1.06 | 1.39 | 1.22 | 1.40 | 1.43 | 1.17 | 0.94 |
| 1.26 | 0.93 | 1.32 | 1.02 | 1.37 | 1.72 | 1.96 | 2.36 |
| 4.80 | 4.96 | 5.41 | 4.63 | 6.11 | 5.73 | 6.86 | 6.15 |
| 1.42 | 1.23 | 1.13 | 0.93 | 0.70 | 0.90 | 0.49 | 0.11 |
| 1.23 | 2.02 | 1.85 | 2.47 | 2.27 | 2.26 | 1.29 | 0.83 |
| 2.77 | 3.47 | 1.87 | 1.81 | 0.66 | 0.91 | 1.02 | 0.85 |
| 1.44 | 1.13 | 2.44 | 3.03 | 2.79 | 2.55 | 2.43 | 2.10 |
| 1.39 | 0.72 | 2.05 | 1.47 | 2.56 | 1.69 | 2.55 | 3.85 |
| 8.25 | 8.57 | 9.34 | 9.71 | 8.98 | 8.31 | 7.78 | 7.74 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **FACTORY PAYROLL** | | | | | | |
| Salaries - executive | 2.13% | 2.21% | 6.58% | 4.40% | 2.39% | 3.39% |
| Direct wages | 18.58 | 16.94 | 16.57 | 13.37 | 18.74 | 19.37 |
| General factory salaries and wages | 2.66 | 2.40 | 2.40 | 3.19 | 2.89 | 2.07 |
| Packing, shipping and delivery wages | 0.83 | 0.69 | 0.25 | 0.18 | 0.70 | 0.69 |
| Payroll taxes | 1.62 | 1.28 | 1.77 | 1.40 | 1.75 | 1.66 |
| Employee benefits | 1.77 | 1.67 | 0.91 | 0.86 | 1.21 | 1.26 |
| TOTAL FACTORY PAYROLL | 27.59 | 25.19 | 28.48 | 23.40 | 27.68 | 28.44 |
| **FACTORY EXPENSES** | | | | | | |
| Fixed Expenses | | | | | | |
| Depreciation - real estate | 0.27 | 0.29 | 0.36 | 0.70 | 0.31 | 0.31 |
| Depreciation - other | 2.83 | 2.89 | 3.60 | 4.28 | 3.30 | 2.84 |
| Taxes - real estate | 0.20 | 0.20 | 0.17 | 0.05 | 0.14 | 0.10 |
| Taxes - other | 0.19 | 0.18 | 0.22 | 0.39 | 0.24 | 0.37 |
| Insurance | 0.60 | 0.53 | 1.08 | 0.87 | 0.93 | 1.06 |
| Building rent | 1.54 | 1.36 | 3.02 | 3.73 | 2.58 | 1.66 |
| Utilities - heat, light, etc. | 1.09 | 0.97 | 1.36 | 1.18 | 1.33 | 1.21 |
| Equipment rental | 0.56 | 0.51 | 1.50 | 1.78 | 0.46 | 0.58 |
| Total Fixed Expenses | 7.28 | 6.93 | 11.31 | 12.98 | 9.29 | 8.13 |
| Other Expenses | | | | | | |
| Factory supplies and expense | 1.98 | 1.79 | 0.95 | 0.76 | 1.55 | 1.72 |
| Packing, shipping and delivery expense | 1.05 | 1.02 | 0.98 | 0.83 | 1.10 | 1.05 |
| Repairs and maintenance | 1.28 | 1.18 | 1.19 | 0.81 | 1.36 | 1.18 |
| Other factory expenses | 0.71 | 0.62 | 0.55 | 0.63 | 0.57 | 0.74 |
| Total Other Expenses | 5.02 | 4.61 | 3.67 | 3.03 | 4.58 | 4.69 |
| TOTAL FACTORY EXPENSES | 12.30 | 11.54 | 14.98 | 16.01 | 13.87 | 12.82 |
| **ADMINISTRATIVE EXPENSES** | | | | | | |
| Salaries - executive | 3.28 | 3.00 | 2.77 | 1.64 | 5.06 | 3.80 |
| Salaries - office | 2.74 | 2.48 | 3.59 | 3.33 | 3.48 | 2.49 |
| Payroll taxes | 0.37 | 0.27 | 0.30 | 0.23 | 0.59 | 0.34 |
| Employee benefits | 0.53 | 0.48 | 0.24 | 0.13 | 0.53 | 0.34 |
| Bad debts | 0.42 | 0.34 | 0.42 | 0.67 | 0.47 | 0.16 |
| Office supplies and expenses | 0.55 | 0.52 | 0.84 | 0.91 | 0.62 | 0.63 |
| Professional fees | 0.60 | 0.60 | 0.83 | 1.10 | 0.82 | 0.83 |
| Taxes - business | 0.20 | 0.17 | 0.17 | 0.13 | 0.23 | 0.16 |
| Telephone | 0.49 | 0.45 | 0.91 | 0.78 | 0.70 | 0.62 |
| Other administrative expenses | 1.49 | 1.30 | 1.38 | 1.01 | 1.62 | 1.52 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.67 | 9.61 | 11.45 | 9.93 | 14.12 | 10.89 |
| **SELLING EXPENSES** | | | | | | |
| Salaries - executive | 1.40 | 1.48 | 1.58 | 1.07 | 1.30 | 1.04 |
| Salaries and commissions - salesmen | 3.56 | 3.10 | 0.70 | 0.38 | 1.57 | 0.99 |
| Salaries - sales office clerical | 0.57 | 0.64 | 0.18 | 0.05 | 0.46 | 0.70 |
| Payroll taxes | 0.27 | 0.23 | 0.14 | 0.05 | 0.20 | 0.19 |
| Employee benefits | 0.29 | 0.29 | 0.08 | 0.08 | 0.13 | 0.12 |
| Advertising | 0.48 | 0.43 | 0.96 | 1.05 | 0.77 | 0.47 |
| Travel and entertainment | 0.94 | 0.84 | 1.30 | 0.69 | 0.83 | 0.62 |
| Other selling expenses | 0.59 | 0.56 | 0.15 | 0.17 | 0.40 | 0.63 |
| TOTAL SELLING EXPENSES | 8.10 | 7.57 | 5.09 | 3.54 | 5.66 | 4.76 |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.11% | 2.19% | 1.84% | 1.88% | 1.66% | 1.73% | 1.63% | 1.54% |
| 18.75 | 17.14 | 18.65 | 16.71 | 18.65 | 16.59 | 18.04 | 16.58 |
| 2.61 | 2.54 | 2.48 | 2.06 | 2.67 | 2.14 | 3.98 | 4.28 |
| | | | | | | | |
| 0.80 | 0.60 | 0.92 | 0.76 | 0.88 | 0.80 | 0.98 | 0.74 |
| 1.57 | 1.12 | 1.57 | 1.21 | 1.67 | 1.26 | 1.78 | 1.57 |
| 1.49 | 1.31 | 1.86 | 1.51 | 2.30 | 2.23 | 3.48 | 3.77 |
| 27.33 | 24.90 | 27.32 | 24.13 | 27.83 | 24.75 | 29.89 | 28.48 |
| | | | | | | | |
| 0.27 | 0.24 | 0.20 | 0.23 | 0.35 | 0.28 | 0.42 | 0.47 |
| 2.73 | 2.76 | 2.82 | 2.86 | 2.59 | 2.96 | 2.55 | 2.51 |
| 0.21 | 0.22 | 0.18 | 0.18 | 0.24 | 0.27 | 0.26 | 0.30 |
| 0.17 | 0.13 | 0.17 | 0.13 | 0.21 | 0.15 | 0.22 | 0.26 |
| 0.69 | 0.51 | 0.50 | 0.52 | 0.34 | 0.25 | 0.25 | 0.17 |
| 1.93 | 1.52 | 1.17 | 1.24 | 0.79 | 0.89 | 0.43 | 0.36 |
| 1.04 | 0.86 | 1.01 | 0.84 | 1.16 | 1.10 | 1.11 | 1.11 |
| 0.73 | 0.70 | 0.47 | 0.31 | 0.28 | 0.13 | 0.48 | 0.76 |
| 7.77 | 6.94 | 6.52 | 6.31 | 5.96 | 6.03 | 5.72 | 5.94 |
| | | | | | | | |
| 1.87 | 1.62 | 2.18 | 1.73 | 2.33 | 2.43 | 2.21 | 1.95 |
| | | | | | | | |
| 1.16 | 0.92 | 0.94 | 1.02 | 1.06 | 1.37 | 1.18 | 0.61 |
| 1.22 | 1.19 | 1.23 | 1.13 | 1.41 | 1.22 | 1.48 | 1.55 |
| 0.64 | 0.46 | 0.66 | 0.58 | 0.99 | 0.57 | 1.29 | 1.44 |
| 4.89 | 4.19 | 5.01 | 4.46 | 5.79 | 5.59 | 6.16 | 5.55 |
| 12.66 | 11.13 | 11.53 | 10.77 | 11.75 | 11.62 | 11.88 | 11.49 |
| | | | | | | | |
| 4.15 | 3.82 | 2.84 | 3.05 | 1.92 | 2.19 | 1.25 | 1.33 |
| 3.19 | 2.94 | 2.53 | 2.64 | 1.76 | 1.62 | 1.60 | 1.45 |
| 0.46 | 0.27 | 0.31 | 0.30 | 0.22 | 0.18 | 0.19 | 0.19 |
| 0.59 | 0.46 | 0.55 | 0.53 | 0.52 | 0.63 | 0.39 | 0.44 |
| 0.49 | 0.46 | 0.36 | 0.26 | 0.40 | 0.35 | 0.35 | 0.29 |
| 0.66 | 0.62 | 0.50 | 0.43 | 0.37 | 0.46 | 0.24 | 0.23 |
| 0.63 | 0.63 | 0.54 | 0.53 | 0.49 | 0.50 | 0.40 | 0.35 |
| 0.24 | 0.14 | 0.19 | 0.24 | 0.12 | 0.10 | 0.11 | 0.14 |
| 0.51 | 0.49 | 0.44 | 0.40 | 0.38 | 0.35 | 0.31 | 0.25 |
| 1.75 | 1.21 | 1.35 | 1.26 | 1.29 | 1.51 | 1.39 | 1.15 |
| 12.67 | 11.04 | 9.61 | 9.64 | 7.47 | 7.89 | 6.23 | 5.82 |
| | | | | | | | |
| 1.76 | 2.25 | 1.31 | 1.32 | 1.13 | 1.38 | 0.76 | 0.62 |
| | | | | | | | |
| 3.22 | 2.39 | 4.34 | 3.91 | 4.57 | 4.48 | 3.63 | 3.83 |
| 0.42 | 0.47 | 0.62 | 0.47 | 0.92 | 1.30 | 0.79 | 0.84 |
| 0.28 | 0.21 | 0.31 | 0.26 | 0.30 | 0.26 | 0.20 | 0.20 |
| 0.25 | 0.22 | 0.33 | 0.32 | 0.43 | 0.45 | 0.43 | 0.51 |
| 0.52 | 0.38 | 0.37 | 0.39 | 0.34 | 0.42 | 0.34 | 0.36 |
| 0.94 | 0.89 | 0.98 | 0.92 | 0.85 | 0.80 | 0.76 | 0.84 |
| 0.57 | 0.64 | 0.62 | 0.48 | 0.81 | 0.55 | 0.76 | 0.83 |
| 7.96 | 7.45 | 8.88 | 8.07 | 9.35 | 9.64 | 7.67 | 8.03 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash | 7.20% | 11.50% | 7.19% | 10.73% | 8.86% | 10.53% |
| Receivables | 32.65 | 29.92 | 27.45 | 26.37 | 30.91 | 34.23 |
| Inventories | 13.42 | 12.01 | 9.52 | 10.74 | 11.01 | 7.74 |
| Other current assets | 4.33 | 5.15 | 3.56 | 4.21 | 3.71 | 4.10 |
| TOTAL CURRENT ASSETS | 57.60 | 58.58 | 47.72 | 52.05 | 54.49 | 56.60 |
| FIXED ASSETS | | | | | | |
| Real estate | 9.47 | 11.21 | 10.85 | 9.38 | 8.04 | 11.00 |
| Less: Accumulated depreciation | 2.79 | 3.15 | 3.23 | 2.51 | 2.33 | 3.12 |
| | 6.68 | 8.06 | 7.62 | 6.87 | 5.71 | 7.88 |
| Machinery and equipment | 62.75 | 55.42 | 65.74 | 46.66 | 77.57 | 64.01 |
| Less: Accumulated depreciation | 34.68 | 29.58 | 30.70 | 16.30 | 44.87 | 35.64 |
| | 28.07 | 25.84 | 35.04 | 30.36 | 32.70 | 28.37 |
| Other fixed assets | 7.08 | 6.04 | 7.30 | 9.50 | 8.69 | 4.85 |
| Less: Accumulated depreciation | 3.64 | 2.93 | 3.10 | 2.62 | 5.00 | 2.30 |
| | 3.44 | 3.11 | 4.20 | 6.88 | 3.69 | 2.55 |
| NET FIXED ASSETS | 38.19 | 37.01 | 46.86 | 44.11 | 42.10 | 38.80 |
| OTHER ASSETS | 4.21 | 4.41 | 5.42 | 3.84 | 3.41 | 4.60 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Notes payable | 8.66 | 4.98 | 9.56 | 14.23 | 8.31 | 3.10 |
| Accounts payable | 14.59 | 11.34 | 16.12 | 12.24 | 15.27 | 12.01 |
| Other current liabilities | 9.36 | 9.58 | 7.15 | 7.47 | 8.47 | 11.06 |
| TOTAL CURRENT LIABILITIES | 32.61 | 25.90 | 32.83 | 33.94 | 32.05 | 26.17 |
| LONG-TERM LIABILITIES | 25.63 | 19.30 | 37.14 | 36.15 | 30.58 | 23.47 |
| TOTAL LIABILITIES | 58.24 | 45.20 | 69.97 | 70.09 | 62.63 | 49.64 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 41.76 | 54.80 | 30.03 | 29.91 | 37.37 | 50.36 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | | | |
|---|---|---|---|---|---|---|
| CURRENT RATIO | 1.77 | 2.26 | 1.45 | 1.53 | 1.70 | 2.16 |
| QUICK RATIO | 1.35 | 1.80 | 1.16 | 1.22 | 1.36 | 1.87 |
| TOTAL LIABILITIES TO EQUITY | 1.39 | 0.82 | 2.33 | 2.34 | 1.68 | 0.99 |
| LONG-TERM LIABILITIES TO EQUITY | 0.61 | 0.35 | 1.24 | 1.21 | 0.82 | 0.47 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.55 | 0.53 | 0.47 | 0.35 | 0.58 | 0.56 |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 8.52% | 13.93% | 6.45% | 10.89% | 6.43% | 12.50% | 3.32% | 4.86% |
| 33.43 | 29.71 | 33.44 | 29.94 | 31.81 | 27.35 | 31.85 | 32.21 |
| 12.71 | 9.92 | 13.99 | 13.63 | 15.15 | 13.05 | 17.88 | 17.62 |
| 4.76 | 6.08 | 4.37 | 5.41 | 4.24 | 4.18 | 3.82 | 5.30 |
| 59.42 | 59.64 | 58.25 | 59.87 | 57.63 | 57.08 | 56.87 | 59.99 |
| 6.42 | 7.47 | 10.05 | 11.31 | 13.20 | 13.94 | 15.35 | 19.81 |
| 1.76 | 1.67 | 3.29 | 3.90 | 3.14 | 2.94 | 4.69 | 5.99 |
| 4.66 | 5.80 | 6.76 | 7.41 | 10.06 | 11.00 | 11.66 | 13.82 |
| 64.63 | 56.58 | 60.81 | 57.73 | 53.99 | 48.49 | 50.35 | 47.61 |
| 36.44 | 28.66 | 33.68 | 32.94 | 28.65 | 25.15 | 25.58 | 25.77 |
| 28.19 | 27.92 | 27.13 | 24.79 | 25.34 | 23.34 | 24.77 | 21.84 |
| 7.22 | 5.30 | 7.55 | 6.83 | 4.91 | 6.35 | 3.41 | 3.57 |
| 3.65 | 2.83 | 3.95 | 3.51 | 2.32 | 2.83 | 1.36 | 1.88 |
| 3.57 | 2.47 | 3.60 | 3.32 | 2.59 | 3.52 | 2.05 | 1.69 |
| 36.42 | 36.19 | 37.49 | 35.52 | 37.99 | 37.86 | 38.48 | 37.35 |
| 4.16 | 4.17 | 4.26 | 4.61 | 4.38 | 5.06 | 4.65 | 2.66 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 8.78 | 4.99 | 9.33 | 5.68 | 7.52 | 3.17 | 5.17 | 2.66 |
| 15.30 | 10.67 | 14.12 | 11.93 | 14.08 | 9.90 | 12.57 | 12.85 |
| 7.70 | 6.00 | 10.63 | 11.04 | 10.35 | 9.92 | 10.37 | 13.82 |
| 31.78 | 21.66 | 34.08 | 28.65 | 31.95 | 22.99 | 28.11 | 29.33 |
| 24.97 | 21.05 | 24.87 | 18.33 | 23.40 | 16.96 | 19.68 | 3.94 |
| 56.75 | 42.71 | 58.95 | 46.98 | 55.35 | 39.95 | 47.79 | 33.27 |
| 43.25 | 57.29 | 41.05 | 53.02 | 44.65 | 60.05 | 52.21 | 66.73 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.87 | 2.75 | 1.71 | 2.09 | 1.80 | 2.48 | 2.02 | 2.05 |
| 1.47 | 2.30 | 1.30 | 1.61 | 1.33 | 1.92 | 1.39 | 1.44 |
| 1.31 | 0.75 | 1.44 | 0.89 | 1.24 | 0.67 | 0.92 | 0.50 |
| 0.58 | 0.37 | 0.61 | 0.35 | 0.52 | 0.28 | 0.38 | 0.06 |
| 0.56 | 0.51 | 0.55 | 0.57 | 0.53 | 0.52 | 0.51 | 0.54 |

## SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | | | |
| Average assets per employee - All employees | $ 29,037 | $ 32,793 | $ 24,859 | $ 22,856 | $ 20,999 | $ 22,600 |
| Average assets per factory employee (Excluding Executives) | 45,667 | 47,217 | 46,250 | 39,926 | 33,963 | 34,502 |
| Average net worth per employee - All employees | 12,253 | 18,188 | 6,279 | 8,488 | 8,048 | 11,648 |
| Average gross plant investment per factory employee (Excluding Executives) | 35,057 | 33,371 | 41,290 | 25,385 | 30,188 | 25,144 |
| Net worth percentage of fixed assets | 150.97% | 204.91% | 153.73% | 113.47% | 126.09% | 178.96% |
| EMPLOYEES | | | | | | |
| Percent factory - All employees | 73.63% | 75.22% | 73.55% | 76.23% | 70.17% | 75.61% |
| Percent administrative - All employees | 15.22 | 14.27 | 19.72 | 17.30 | 22.32 | 18.59 |
| Percent sales - All employees | 11.15 | 10.51 | 6.73 | 6.47 | 7.51 | 5.80 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | | | |
| INCLUDING EXECUTIVES | | | | | | |
| Sales per employee - All employees | $ 56,951 | $ 61,343 | $ 38,465 | $ 50,036 | $ 42,326 | $ 47,559 |
| Sales per factory employee | 81,968 | 82,554 | 57,353 | 71,335 | 61,971 | 63,858 |
| Sales less material per factory employee | 51,957 | 53,186 | 37,136 | 48,894 | 40,654 | 42,654 |
| Sales per administrative employee | 470,945 | 531,329 | 187,203 | 292,488 | 208,258 | 239,772 |
| EXCLUDING EXECUTIVES | | | | | | |
| Sales per employee - All employees | 64,875 | 69,646 | 54,057 | 63,830 | 52,780 | 59,700 |
| Sales per factory employee | 90,756 | 88,071 | 79,719 | 82,296 | 69,807 | 71,247 |
| Sales less material per factory employee | 57,670 | 56,764 | 52,512 | 57,188 | 45,527 | 47,594 |
| SALES PER SALESMAN | 468,507 | 520,322 | 92,508 | 0 | 138,101 | 0 |
| SALES TO CURRENT ASSETS | 403% | 371% | 519% | 466% | 471% | 462% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | | | |
| INCLUDING EXECUTIVES | | | | | | |
| Total payroll percentage of sales | 40.61% | 37.16% | 38.07% | 30.36% | 41.00% | 38.44% |
| Factory payroll percentage of gross plant investment | 87.58 | 89.42 | 92.25 | 102.77 | 91.19 | 138.16 |
| Payroll per employee - All employees | $ 22,490 | $ 21,888 | $ 13,495 | $ 13,415 | $ 16,793 | $ 17,265 |
| Payroll per factory employee | 21,647 | 19,631 | 13,937 | 13,493 | 16,178 | 15,858 |
| Payroll per administrative employee | 25,845 | 26,662 | 10,480 | 11,097 | 17,877 | 16,904 |
| Payroll per sales employee | 30,622 | 32,528 | 7,186 | 6,388 | 11,857 | 12,719 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | | | |
| EXCLUDING EXECUTIVES | | | | | | |
| Payroll per employee - All employees | $ 18,126 | $ 17,348 | $ 11,563 | $ 11,473 | $ 13,644 | $ 14,265 |
| Payroll per factory employee | 18,922 | 16,531 | 11,904 | 11,377 | 13,958 | 14,255 |
| Payroll per administrative employee | 14,290 | 14,166 | 7,443 | 7,773 | 11,090 | 11,279 |
| Payroll per sales employee | 24,072 | 23,866 | 3,272 | 2,263 | 7,932 | 9,919 |
| EXECUTIVE PAYROLL | | | | | | |
| Payroll per executive - All executives | 38,509 | 41,804 | 12,216 | 9,529 | 21,223 | 20,994 |
| Payroll per factory executive | 26,634 | 27,582 | 11,219 | 8,630 | 12,722 | 17,359 |
| Payroll per administrative executive | 43,138 | 46,403 | 7,898 | 5,045 | 20,336 | 17,454 |
| Payroll per sales executive | 30,888 | 36,755 | 5,939 | 4,859 | 8,561 | 9,588 |
| RECEIVABLES | | | | | | |
| Collection period | 58.2 | 56.1 | 61.2 | 40.4 | 50.2 | 54.1 |
| PROFIT | | | | | | |
| Gross profit percentage of sales | 24.41% | 29.00% | 21.89% | 30.40% | 24.80% | 26.78% |
| Average gross profit per factory employee | $ 22,731 | $ 25,865 | $ 19,408 | $ 26,412 | $ 18,256 | $ 20,047 |
| Income before taxes percentage of sales | 4.35% | 11.81% | 4.34% | 14.36% | 3.57% | 12.51% |
| Average income before taxes per employee | $ 2,759 | $ 7,477 | $ 2,437 | $ 8,592 | $ 1,846 | $ 6,288 |

| SALES FROM $500,000-$1,500,000 |  | SALES FROM $1,500,000-$5,000,000 |  | SALES FROM $5,000,000-$10,000,000 |  | SALES OVER $10,000,000 |  |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 24,637 | $ 29,029 | $ 31,340 | $ 35,502 | $ 37,125 | $ 41,000 | $ 39,654 | $ 37,342 |
| 44,238 | 43,791 | 47,914 | 50,822 | 51,156 | 56,251 | 49,992 | 46,213 |
| 10,878 | 17,002 | 12,828 | 18,377 | 16,966 | 24,461 | 19,350 | 24,240 |
| 33,349 | 29,182 | 37,000 | 37,742 | 35,472 | 38,804 | 34,816 | 33,140 |
| 168.76% | 235.76% | 149.41% | 209.40% | 135.52% | 195.62% | 152.89% | 198.83% |
| 70.63% | 71.60% | 74.32% | 74.80% | 78.32% | 77.65% | 83.08% | 83.75% |
| 17.53 | 17.44 | 13.40 | 13.56 | 10.03 | 9.87 | 8.17 | 7.10 |
| 11.84 | 10.96 | 12.28 | 11.64 | 11.65 | 12.48 | 8.75 | 9.15 |
| $ 50,864 | $ 52,446 | $ 62,950 | $ 68,112 | $ 66,460 | $ 69,964 | $ 71,376 | $ 70,990 |
| 82,526 | 74,306 | 88,015 | 92,074 | 86,436 | 90,849 | 86,106 | 84,885 |
| 53,792 | 48,706 | 54,985 | 58,372 | 53,266 | 58,141 | 52,076 | 52,554 |
| 325,867 | 338,760 | 527,493 | 572,544 | 750,048 | 784,150 | 1,074,476 | 1,104,065 |
| 59,164 | 61,494 | 70,423 | 75,764 | 71,578 | 75,995 | 75,146 | 74,828 |
| 93,970 | 79,170 | 95,846 | 97,393 | 90,515 | 95,878 | 89,404 | 87,916 |
| 61,313 | 51,844 | 60,048 | 61,669 | 55,804 | 61,359 | 54,070 | 54,379 |
| 266,317 | 252,329 | 439,603 | 430,314 | 734,235 | 715,676 | 1,029,055 | 986,564 |
| 409% | 353% | 388% | 376% | 362% | 316% | 341% | 335% |
| 41.66% | 37.93% | 40.47% | 36.92% | 39.59% | 37.25% | 39.13% | 37.89% |
| 90.28 | 83.00 | 86.43 | 87.80 | 80.06 | 67.13 | 86.87 | 83.45 |
| $ 20,600 | $ 19,396 | $ 24,934 | $ 24,055 | $ 25,645 | $ 25,369 | $ 27,124 | $ 25,586 |
| 21,470 | 17,867 | 23,407 | 21,118 | 22,830 | 21,659 | 24,864 | 22,843 |
| 23,819 | 22,470 | 29,322 | 31,845 | 29,864 | 31,674 | 31,355 | 31,578 |
| 25,219 | 26,468 | 35,927 | 37,278 | 44,737 | 46,928 | 49,530 | 48,235 |
| $ 16,468 | $ 15,462 | $ 20,221 | $ 18,903 | $ 20,422 | $ 19,825 | $ 21,408 | $ 19,872 |
| 19,354 | 15,341 | 20,588 | 17,927 | 19,019 | 17,906 | 20,063 | 18,083 |
| 13,362 | 12,557 | 16,157 | 16,376 | 15,252 | 15,183 | 15,423 | 16,015 |
| 18,659 | 15,791 | 29,183 | 27,490 | 36,213 | 37,708 | 40,959 | 40,900 |
| 32,959 | 33,405 | 44,192 | 52,329 | 49,276 | 53,475 | 62,393 | 49,675 |
| 22,665 | 23,681 | 27,339 | 30,955 | 33,839 | 34,809 | 53,087 | 38,371 |
| 34,136 | 33,551 | 50,738 | 57,172 | 59,220 | 68,702 | 79,910 | 63,780 |
| 22,117 | 26,370 | 35,392 | 41,312 | 53,595 | 64,973 | 65,880 | 51,520 |
| 56.7 | 57.0 | 59.0 | 55.0 | 63.6 | 60.4 | 64.3 | 62.3 |
| 26.13% | 30.62% | 24.21% | 29.58% | 22.85% | 28.32% | 20.43% | 24.44% |
| $ 25,292 | $ 24,311 | $ 23,465 | $ 29,087 | $ 21,423 | $ 27,467 | $ 17,831 | $ 20,904 |
| 4.24% | 11.86% | 4.30% | 11.72% | 5.02% | 10.91% | 5.65% | 11.30% |
| $ 2,412 | $ 6,446 | $ 2,025 | $ 8,304 | $ 3,577 | $ 7,705 | $ 3,954 | $ 7,902 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES TO $250,000 | | SALES FROM $250,000-$500,000 | |
|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | | | |
| Current Assets: | | | | | | |
| Cash | $ 3.59 | $ 6.25 | $ 4.97 | $ 5.25 | $ 3.84 | $ 5.23 |
| Receivables | 15.56 | 15.04 | 16.45 | 10.94 | 13.50 | 14.72 |
| Inventories | 6.68 | 5.95 | 7.21 | 4.84 | 5.48 | 3.25 |
| Marketable securities | 0.87 | 1.56 | 0.14 | 0.00 | 0.67 | 1.24 |
| Other current assets | 1.51 | 1.39 | 2.19 | 2.83 | 1.54 | 1.25 |
| | 28.21 | 30.19 | 30.96 | 23.86 | 25.03 | 25.69 |
| Plant Investment: | | | | | | |
| Land and building | 7.12 | 6.63 | 40.15 | 7.01 | 5.46 | 6.08 |
| Machinery and equipment | 30.62 | 28.61 | 38.11 | 21.04 | 35.25 | 28.64 |
| Other fixed assets | 3.38 | 3.15 | 5.21 | 3.49 | 3.83 | 2.34 |
| | 41.12 | 38.39 | 83.47 | 31.54 | 44.54 | 37.06 |
| Non-Current Assets | 2.33 | 2.45 | 2.06 | 1.68 | 2.12 | 2.60 |
| TOTAL INVESTMENT | 71.66 | 71.03 | 116.49 | 57.08 | 71.69 | 65.35 |
| INVESTMENT TURNOVER PER $100 OF SALES | 139.55% | 140.79% | 85.84% | 175.19% | 139.49% | 153.02% |
| EARNINGS | | | | | | |
| Cost of Product | $75.59 | $71.00 | $78.11 | $69.60 | $75.20 | $73.22 |
| Selling Expenses | 8.10 | 7.57 | 5.09 | 3.54 | 5.66 | 4.76 |
| Administrative Expenses | 10.67 | 9.61 | 11.45 | 9.93 | 14.12 | 10.89 |
| | 94.36 | 88.18 | 94.65 | 83.07 | 94.98 | 88.87 |
| Income Before Interest, Other Income, and Taxes | 5.64 | 11.82 | 5.35 | 16.93 | 5.02 | 11.13 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.87% | 16.64% | 4.59% | 29.66% | 7.00% | 17.03% |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 4.15 | $ 7.79 | $ 3.17 | $ 5.77 | $ 3.54 | $ 7.22 | $ 1.92 | $ 2.74 |
| 15.17 | 15.26 | 15.80 | 14.69 | 16.87 | 16.09 | 17.16 | 16.72 |
| 6.14 | 5.10 | 6.68 | 6.34 | 7.99 | 7.42 | 9.36 | 9.09 |
| 0.86 | 1.92 | 0.97 | 1.61 | 0.85 | 1.43 | 1.15 | 1.99 |
| 1.53 | 1.68 | 1.36 | 1.14 | 1.87 | 1.28 | 1.00 | 1.09 |
| 27.85 | 31.75 | 27.98 | 29.55 | 31.12 | 33.44 | 30.59 | 31.63 |
| 4.17 | 5.04 | 5.96 | 6.01 | 7.93 | 8.99 | 9.48 | 10.59 |
| 29.91 | 30.30 | 29.84 | 29.22 | 28.93 | 28.31 | 27.88 | 25.04 |
| 3.26 | 2.52 | 3.54 | 3.75 | 2.70 | 3.90 | 1.91 | 1.72 |
| 37.34 | 37.86 | 39.34 | 38.98 | 39.56 | 41.20 | 39.27 | 37.35 |
| 2.11 | 2.26 | 2.27 | 2.41 | 3.02 | 3.26 | 3.25 | 1.57 |
| 67.30 | 71.87 | 69.59 | 70.94 | 73.70 | 77.90 | 73.11 | 70.55 |
| 148.59% | 139.14% | 143.70% | 140.96% | 135.69% | 128.37% | 136.78% | 141.74% |
| $73.87 | $69.38 | $75.79 | $70.42 | $77.15 | $71.68 | $79.57 | $75.56 |
| 7.96 | 7.45 | 8.88 | 8.07 | 9.35 | 9.64 | 7.67 | 8.03 |
| 12.67 | 11.04 | 9.61 | 9.64 | 7.47 | 7.89 | 6.23 | 5.82 |
| 94.50 | 87.87 | 94.28 | 88.13 | 93.97 | 89.21 | 93.47 | 89.41 |
| 5.50 | 12.13 | 5.72 | 11.87 | 6.03 | 10.79 | 6.53 | 10.59 |
| 8.17% | 16.88% | 8.22% | 16.73% | 8.18% | 13.85% | 8.93% | 15.01% |

REPORT ON OPERATIONS - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

| | NEW ENGLAND AND UP-STATE NEW YORK | | METROPOLITAN NEW YORK AND NEW JERSEY | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 44.32 | 39.30 | 40.51 | 26.91 |
| FACTORY EXPENSES | 19.81 | 18.97 | 19.76 | 18.38 |
| TOTAL FACTORY COST OF PRODUCT | 64.13 | 58.27 | 60.27 | 45.29 |
| GROSS PROFIT | 35.87 | 41.73 | 39.73 | 54.71 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 16.85 | 18.07 | 19.41 | 13.44 |
| Selling expenses | 11.98 | 9.42 | 11.14 | 15.16 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 28.83 | 27.49 | 30.55 | 28.60 |
| INCOME BEFORE INTEREST EXPENSE | 7.04 | 14.24 | 9.18 | 26.11 |
| Interest expense | 2.78 | 1.24 | 2.93 | 1.70 |
| OPERATING INCOME | 4.26 | 13.00 | 6.25 | 24.41 |
| Other income | 1.17 | 2.66 | 1.08 | 1.32 |
| INCOME BEFORE INCOME TAXES | 5.43 | 15.66 | 7.33 | 25.73 |

| EASTERN PENNA., MARYLAND AND D.C. | | SOUTHEAST ATLANTIC | | EAST NORTH CENTRAL | | SOUTH CENTRAL | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X | X | X |
| X | X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 44.63 | 40.30 | 42.46 | 38.77 | 45.11 | 43.28 | 40.88 | 38.00 |
| 18.58 | 17.87 | 20.24 | 16.86 | 19.30 | 17.46 | 19.74 | 17.31 |
| 63.21 | 58.17 | 62.70 | 55.63 | 64.41 | 60.74 | 60.62 | 55.31 |
| 36.79 | 41.83 | 37.30 | 44.37 | 35.59 | 39.26 | 39.38 | 44.69 |
| 15.83 | 13.75 | 16.20 | 14.34 | 15.75 | 12.43 | 17.88 | 16.45 |
| 13.10 | 11.73 | 12.98 | 11.04 | 12.38 | 13.77 | 13.90 | 13.98 |
| 28.93 | 25.48 | 29.18 | 25.38 | 28.13 | 26.20 | 31.78 | 30.43 |
| 7.86 | 16.35 | 8.12 | 18.99 | 7.46 | 13.06 | 7.60 | 14.26 |
| 2.69 | 1.92 | 3.31 | 2.08 | 3.65 | 1.46 | 2.70 | 1.00 |
| 5.17 | 14.43 | 4.81 | 16.91 | 3.81 | 11.60 | 4.90 | 13.26 |
| 1.05 | 1.80 | 1.00 | 0.89 | 1.00 | 2.65 | 1.75 | 2.58 |
| 6.22 | 16.23 | 5.81 | 17.80 | 4.81 | 14.25 | 6.65 | 15.84 |

SUPPORTING SCHEDULES - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

| | NEW ENGLAND AND UP-STATE NEW YORK | | METROPOLITAN NEW YORK AND NEW JERSEY | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.39% | 2.99% | 3.48% | 3.67% |
| Direct wages | 28.45 | 25.16 | 23.11 | 17.78 |
| General factory salaries and wages | 5.03 | 5.28 | 6.44 | 0.76 |
| Packing, shipping and delivery wages | 1.31 | 0.84 | 1.32 | 0.16 |
| Payroll taxes | 3.01 | 2.32 | 2.53 | 0.97 |
| Employee benefits | 3.13 | 2.71 | 3.63 | 3.57 |
| TOTAL FACTORY PAYROLL | 44.32 | 39.30 | 40.51 | 26.91 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.35 | 0.52 | 0.34 | 0.51 |
| Depreciation - other | 4.45 | 4.24 | 5.69 | 6.68 |
| Taxes - real estate | 0.32 | 0.44 | 0.27 | 0.34 |
| Taxes - other | 0.19 | 0.00 | 0.10 | 0.06 |
| Insurance | 1.06 | 0.89 | 1.29 | 2.05 |
| Building rent | 2.46 | 2.25 | 3.16 | 2.28 |
| Utilities - heat, light, etc. | 2.17 | 1.81 | 2.24 | 1.70 |
| Equipment rental | 0.62 | 1.45 | 0.18 | 0.01 |
| Total Fixed Expenses | 11.62 | 11.60 | 13.27 | 13.63 |
| Other Expenses | | | | |
| Factory supplies and expense | 3.37 | 3.21 | 3.26 | 1.31 |
| Packing, shipping and delivery expense | 1.60 | 1.39 | 0.62 | 0.96 |
| Repairs and maintenance | 1.91 | 2.03 | 2.13 | 2.11 |
| Other factory expenses | 1.31 | 0.74 | 0.48 | 0.37 |
| Total Other Expenses | 8.19 | 7.37 | 6.49 | 4.75 |
| TOTAL FACTORY EXPENSES | 19.81 | 18.97 | 19.76 | 18.38 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 5.42 | 5.60 | 6.86 | 4.09 |
| Salaries - office | 4.41 | 4.63 | 5.07 | 3.21 |
| Payroll taxes | 0.70 | 0.61 | 0.65 | 0.47 |
| Employee benefits | 1.05 | 1.09 | 1.11 | 1.09 |
| Bad debts | 0.43 | 0.25 | 0.18 | 0.23 |
| Office supplies and expenses | 0.80 | 0.56 | 0.85 | 0.66 |
| Professional fees | 0.81 | 1.01 | 1.03 | 0.78 |
| Taxes - business | 0.26 | 0.62 | 0.52 | 0.49 |
| Telephone | 0.76 | 0.63 | 0.85 | 0.91 |
| Other administrative expenses | 2.21 | 3.07 | 2.29 | 1.51 |
| TOTAL ADMINISTRATIVE EXPENSES | 16.85 | 18.07 | 19.41 | 13.44 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.89 | 1.42 | 1.81 | 4.18 |
| Salaries and commissions - salesmen | 5.29 | 4.34 | 4.59 | 3.64 |
| Salaries - sales office clerical | 0.84 | 0.60 | 0.63 | 0.00 |
| Payroll taxes | 0.53 | 0.38 | 0.38 | 0.43 |
| Employee benefits | 0.56 | 0.46 | 0.41 | 0.79 |
| Advertising | 0.53 | 0.48 | 0.87 | 2.23 |
| Travel and entertainment | 1.55 | 1.01 | 1.20 | 1.90 |
| Other selling expenses | 0.79 | 0.73 | 1.25 | 1.99 |
| TOTAL SELLING EXPENSES | 11.98 | 9.42 | 11.14 | 15.16 |

| EASTERN PENNA., MARYLAND AND D.C. | | SOUTHEAST ATLANTIC | | EAST NORTH CENTRAL | | SOUTH CENTRAL | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.50% | 3.47% | 3.87% | 3.62% | 4.10% | 2.94% | 2.86% | 2.01% |
| 29.68 | 25.46 | 28.62 | 27.60 | 26.20 | 27.49 | 28.26 | 24.41 |
| 4.56 | 3.03 | 3.64 | 2.21 | 5.72 | 4.67 | 2.99 | 4.64 |
| 1.43 | 1.66 | 1.27 | 0.85 | 1.49 | 0.78 | 1.31 | 1.32 |
| 2.98 | 2.67 | 2.84 | 2.41 | 3.28 | 2.93 | 2.55 | 2.31 |
| 3.48 | 4.01 | 2.22 | 2.08 | 4.32 | 4.47 | 2.91 | 3.31 |
| 44.63 | 40.30 | 42.46 | 38.77 | 45.11 | 43.28 | 40.88 | 38.00 |
| 0.43 | 0.28 | 0.27 | 0.41 | 0.61 | 0.63 | 0.65 | 0.37 |
| 3.49 | 4.07 | 5.22 | 4.83 | 4.51 | 3.41 | 4.15 | 3.62 |
| 0.30 | 0.18 | 0.34 | 0.20 | 0.30 | 0.38 | 0.21 | 0.26 |
| 0.13 | 0.21 | 0.37 | 0.37 | 0.59 | 0.67 | 0.46 | 0.46 |
| 1.21 | 1.21 | 0.97 | 0.77 | 0.85 | 0.79 | 0.97 | 0.76 |
| 2.09 | 1.56 | 2.08 | 1.40 | 1.92 | 1.28 | 2.27 | 1.74 |
| 2.04 | 1.52 | 2.04 | 1.80 | 1.96 | 1.88 | 1.72 | 1.45 |
| 0.82 | 0.56 | 1.00 | 0.57 | 0.64 | 0.17 | 0.73 | 0.54 |
| 10.51 | 9.59 | 12.29 | 10.35 | 11.38 | 9.21 | 11.16 | 9.20 |
| 3.61 | 3.68 | 3.35 | 2.24 | 3.18 | 2.00 | 3.62 | 4.19 |
| 1.70 | 1.72 | 1.39 | 1.41 | 1.77 | 2.03 | 1.47 | 1.11 |
| 1.73 | 1.50 | 2.30 | 1.98 | 1.79 | 1.79 | 2.16 | 1.38 |
| 1.03 | 1.38 | 0.91 | 0.88 | 1.18 | 2.43 | 1.33 | 1.43 |
| 8.07 | 8.28 | 7.95 | 6.51 | 7.92 | 8.25 | 8.58 | 8.11 |
| 18.58 | 17.87 | 20.24 | 16.86 | 19.30 | 17.46 | 19.74 | 17.31 |
| 4.53 | 4.58 | 5.35 | 2.97 | 4.48 | 3.37 | 6.17 | 7.51 |
| 3.97 | 3.07 | 4.08 | 6.01 | 3.85 | 2.85 | 4.07 | 3.11 |
| 0.62 | 0.55 | 0.61 | 0.57 | 0.84 | 0.47 | 0.71 | 0.67 |
| 1.04 | 0.95 | 0.61 | 0.58 | 0.83 | 0.76 | 1.14 | 0.68 |
| 0.53 | 0.35 | 0.59 | 0.45 | 0.63 | 0.81 | 0.60 | 0.19 |
| 0.82 | 0.75 | 0.89 | 0.91 | 0.55 | 0.50 | 0.83 | 0.90 |
| 1.00 | 1.00 | 0.77 | 0.45 | 0.83 | 0.80 | 0.84 | 0.62 |
| 0.21 | 0.15 | 0.33 | 0.23 | 0.65 | 0.52 | 0.35 | 0.19 |
| 0.79 | 0.59 | 1.00 | 1.01 | 0.72 | 0.42 | 0.79 | 0.69 |
| 2.32 | 1.76 | 1.97 | 1.16 | 2.37 | 1.93 | 2.38 | 1.89 |
| 15.83 | 13.75 | 16.20 | 14.34 | 15.75 | 12.43 | 17.88 | 16.45 |
| 2.42 | 1.91 | 2.28 | 2.63 | 1.87 | 2.20 | 2.43 | 1.51 |
| 5.76 | 4.81 | 5.67 | 4.03 | 4.85 | 5.41 | 6.05 | 7.26 |
| 0.81 | 1.16 | 1.06 | 1.21 | 1.47 | 2.20 | 0.76 | 0.79 |
| 0.52 | 0.41 | 0.54 | 0.48 | 0.48 | 0.64 | 0.51 | 0.48 |
| 0.60 | 0.77 | 0.39 | 0.38 | 0.60 | 0.86 | 0.73 | 0.81 |
| 0.54 | 0.46 | 0.73 | 0.77 | 0.60 | 0.25 | 0.90 | 0.73 |
| 1.34 | 1.27 | 1.34 | 0.93 | 1.25 | 1.03 | 1.43 | 1.60 |
| 1.11 | 0.94 | 0.97 | 0.61 | 1.26 | 1.18 | 1.09 | 0.80 |
| 13.10 | 11.73 | 12.98 | 11.04 | 12.38 | 13.77 | 13.90 | 13.98 |

## REPORT ON OPERATIONS - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

| | CHICAGO AREA | | WEST NORTH CENTRAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 44.13 | 34.18 | 46.01 | 42.00 |
| FACTORY EXPENSES | 19.36 | 16.91 | 18.49 | 15.95 |
| TOTAL FACTORY COST OF PRODUCT | 63.49 | 51.09 | 64.50 | 57.95 |
| GROSS PROFIT | 36.51 | 48.91 | 35.50 | 42.05 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 14.43 | 15.10 | 17.04 | 15.77 |
| Selling expenses | 14.21 | 16.20 | 12.48 | 12.17 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 28.64 | 31.30 | 29.52 | 27.94 |
| INCOME BEFORE INTEREST EXPENSE | 7.87 | 17.61 | 5.98 | 14.11 |
| Interest expense | 2.67 | 1.73 | 3.80 | 1.14 |
| OPERATING INCOME | 5.20 | 15.88 | 2.18 | 12.97 |
| Other income | 0.98 | 1.81 | 1.44 | 1.86 |
| INCOME BEFORE INCOME TAXES | 6.18 | 17.69 | 3.62 | 14.83 |

| PLAINS AND MOUNTAIN STATES | | PACIFIC SOUTHWEST | | PACIFIC NORTHWEST | | CANADA | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X | X | X |
| X | X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 42.63 | 38.52 | 40.41 | 37.19 | 42.23 | 34.65 | 42.36 | 38.57 |
| 20.13 | 18.54 | 20.07 | 17.77 | 18.55 | 16.66 | 17.16 | 16.63 |
| 62.76 | 57.06 | 60.48 | 54.96 | 60.78 | 51.31 | 59.52 | 55.20 |
| 37.24 | 42.94 | 39.52 | 45.04 | 39.22 | 48.69 | 40.48 | 44.80 |
| 17.12 | 13.71 | 17.96 | 17.19 | 17.59 | 14.48 | 15.42 | 13.30 |
| 11.85 | 11.16 | 12.96 | 10.56 | 13.21 | 10.23 | 12.03 | 10.47 |
| 28.97 | 24.87 | 30.92 | 27.75 | 30.80 | 24.71 | 27.45 | 23.77 |
| 8.27 | 18.07 | 8.60 | 17.29 | 8.42 | 23.98 | 13.03 | 21.03 |
| 3.46 | 1.89 | 2.85 | 2.06 | 2.93 | 1.36 | 4.48 | 2.78 |
| 4.81 | 16.18 | 5.75 | 15.23 | 5.49 | 22.62 | 8.55 | 18.25 |
| 2.48 | 2.32 | 0.52 | 2.63 | 0.75 | 0.76 | 1.29 | 1.66 |
| 7.29 | 18.50 | 6.27 | 17.86 | 6.24 | 23.38 | 9.84 | 19.91 |

SUPPORTING SCHEDULES - VALUE ADDED = 100% - ALL FIRMS AND PROFIT LEADERS

| | CHICAGO AREA | | WEST NORTH CENTRAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.31% | 2.44% | 3.40% | 3.31% |
| Direct wages | 27.91 | 23.76 | 31.92 | 28.95 |
| General factory salaries and wages | 4.66 | 1.41 | 3.60 | 1.32 |
| Packing, shipping and delivery wages | 1.66 | 0.87 | 1.08 | 2.71 |
| Payroll taxes | 2.85 | 2.05 | 2.89 | 2.56 |
| Employee benefits | 3.74 | 3.65 | 3.12 | 3.15 |
| TOTAL FACTORY PAYROLL | 44.13 | 34.18 | 46.01 | 42.00 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.43 | 0.32 | 0.38 | 0.00 |
| Depreciation - other | 4.15 | 3.72 | 4.27 | 3.04 |
| Taxes - real estate | 0.37 | 0.42 | 0.27 | 0.00 |
| Taxes - other | 0.22 | 0.00 | 0.15 | 0.03 |
| Insurance | 0.95 | 0.67 | 0.90 | 0.65 |
| Building rent | 1.74 | 2.19 | 2.29 | 2.03 |
| Utilities - heat, light, etc. | 1.82 | 1.65 | 1.52 | 0.95 |
| Equipment rental | 0.36 | 0.01 | 1.10 | 0.01 |
| Total Fixed Expenses | 10.04 | 8.98 | 10.88 | 6.71 |
| Other Expenses | | | | |
| Factory supplies and expense | 3.47 | 2.38 | 3.19 | 2.25 |
| Packing, shipping and delivery expense | 2.42 | 2.74 | 1.70 | 4.52 |
| Repairs and maintenance | 1.76 | 2.01 | 1.52 | 1.54 |
| Other factory expenses | 1.67 | 0.80 | 1.20 | 0.93 |
| Total Other Expenses | 9.32 | 7.93 | 7.61 | 9.24 |
| TOTAL FACTORY EXPENSES | 19.36 | 16.91 | 18.49 | 15.95 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 3.95 | 3.59 | 6.56 | 6.18 |
| Salaries - office | 3.85 | 3.85 | 3.87 | 4.11 |
| Payroll taxes | 0.54 | 0.32 | 0.57 | 0.45 |
| Employee benefits | 1.12 | 1.70 | 0.95 | 1.20 |
| Bad debts | 0.38 | 0.36 | 0.52 | 0.16 |
| Office supplies and expenses | 0.59 | 0.67 | 0.69 | 0.60 |
| Professional fees | 0.78 | 1.34 | 0.90 | 0.64 |
| Taxes - business | 0.27 | 0.24 | 0.06 | 0.00 |
| Telephone | 0.68 | 0.68 | 0.59 | 0.42 |
| Other administrative expenses | 2.27 | 2.35 | 2.33 | 2.01 |
| TOTAL ADMINISTRATIVE EXPENSES | 14.43 | 15.10 | 17.04 | 15.77 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 2.92 | 2.09 | 2.44 | 3.11 |
| Salaries and commissions - salesmen | 5.72 | 6.80 | 5.83 | 5.49 |
| Salaries - sales office clerical | 0.92 | 1.74 | 0.73 | 0.00 |
| Payroll taxes | 0.51 | 0.46 | 0.46 | 0.38 |
| Employee benefits | 0.53 | 0.55 | 0.52 | 0.84 |
| Advertising | 0.54 | 0.71 | 0.50 | 0.21 |
| Travel and entertainment | 1.89 | 2.49 | 1.26 | 1.82 |
| Other selling expenses | 1.18 | 1.36 | 0.74 | 0.32 |
| TOTAL SELLING EXPENSES | 14.21 | 16.20 | 12.48 | 12.17 |

| PLAINS AND MOUNTAIN STATES |  | PACIFIC SOUTHWEST |  | PACIFIC NORTHWEST |  | CANADA |  |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 3.89% | 5.08% | 2.95% | 1.80% | 2.77% | 0.56% | 3.13% | 3.20% |
| 28.29 | 23.20 | 28.73 | 26.91 | 27.74 | 20.28 | 31.15 | 29.30 |
| 4.10 | 4.98 | 2.65 | 3.63 | 4.19 | 7.20 | 4.17 | 2.56 |
| 1.44 | 1.05 | 1.11 | 0.68 | 1.19 | 1.39 | 1.15 | 1.02 |
| 2.69 | 2.27 | 2.82 | 2.62 | 3.21 | 2.55 | 0.87 | 0.64 |
| 2.22 | 1.94 | 2.15 | 1.55 | 3.13 | 2.67 | 1.89 | 1.85 |
| 42.63 | 38.52 | 40.41 | 37.19 | 42.23 | 34.65 | 42.36 | 38.57 |
|  |  |  |  |  |  |  |  |
| 0.32 | 0.33 | 0.25 | 0.52 | 0.55 | 0.10 | 0.45 | 0.61 |
| 4.83 | 4.44 | 3.66 | 3.87 | 4.28 | 3.70 | 4.73 | 5.17 |
| 0.20 | 0.18 | 0.23 | 0.24 | 0.21 | 0.24 | 0.45 | 0.44 |
| 0.50 | 0.60 | 0.40 | 0.34 | 0.34 | 0.58 | 0.14 | 0.06 |
| 0.95 | 0.75 | 1.17 | 1.48 | 0.88 | 0.65 | 0.57 | 0.50 |
| 2.31 | 2.40 | 3.22 | 2.04 | 3.23 | 3.88 | 2.39 | 2.00 |
| 1.84 | 1.56 | 1.56 | 1.59 | 1.23 | 1.71 | 1.16 | 1.03 |
| 1.47 | 1.44 | 1.56 | 0.87 | 0.61 | 0.00 | 0.53 | 0.53 |
| 12.42 | 11.70 | 12.05 | 10.95 | 11.33 | 10.86 | 10.42 | 10.34 |
| 2.93 | 2.45 | 3.11 | 2.41 | 2.82 | 3.11 | 2.19 | 2.46 |
| 1.71 | 1.35 | 1.27 | 0.68 | 1.68 | 1.01 | 1.65 | 1.63 |
| 1.97 | 2.13 | 2.43 | 1.61 | 1.79 | 1.24 | 2.08 | 1.66 |
| 1.10 | 0.91 | 1.21 | 2.12 | 0.93 | 0.44 | 0.82 | 0.54 |
| 7.71 | 6.84 | 8.02 | 6.82 | 7.22 | 5.80 | 6.74 | 6.29 |
| 20.13 | 18.54 | 20.07 | 17.77 | 18.55 | 16.66 | 17.16 | 16.63 |
|  |  |  |  |  |  |  |  |
| 5.57 | 4.61 | 5.40 | 7.67 | 5.23 | 2.54 | 3.78 | 3.74 |
| 4.16 | 3.14 | 4.90 | 3.15 | 3.77 | 4.14 | 4.81 | 3.84 |
| 0.65 | 0.45 | 0.70 | 0.59 | 0.72 | 0.45 | 0.17 | 0.08 |
| 0.65 | 0.59 | 0.86 | 0.53 | 1.10 | 0.60 | 0.39 | 0.39 |
| 0.76 | 0.36 | 0.77 | 0.12 | 0.73 | 1.11 | 0.96 | 0.88 |
| 0.73 | 0.71 | 1.03 | 0.97 | 1.00 | 0.93 | 1.06 | 0.88 |
| 0.91 | 0.77 | 1.04 | 1.01 | 0.96 | 1.19 | 1.13 | 1.04 |
| 0.21 | 0.15 | 0.24 | 0.18 | 0.88 | 0.56 | 0.24 | 0.21 |
| 0.72 | 0.64 | 0.74 | 0.73 | 0.73 | 0.81 | 0.80 | 0.65 |
| 2.76 | 2.29 | 2.28 | 2.24 | 2.47 | 2.15 | 2.08 | 1.59 |
| 17.12 | 13.71 | 17.96 | 17.19 | 17.59 | 14.48 | 15.42 | 13.30 |
|  |  |  |  |  |  |  |  |
| 2.21 | 2.84 | 1.92 | 2.42 | 2.07 | 1.40 | 1.91 | 2.25 |
| 5.25 | 4.12 | 6.00 | 2.86 | 6.00 | 3.87 | 5.51 | 4.78 |
| 1.03 | 1.25 | 0.41 | 0.38 | 0.72 | 1.08 | 0.95 | 0.59 |
| 0.40 | 0.45 | 0.45 | 0.33 | 0.58 | 0.31 | 0.11 | 0.06 |
| 0.31 | 0.31 | 0.34 | 0.27 | 0.64 | 0.56 | 0.25 | 0.27 |
| 0.83 | 0.65 | 0.97 | 0.51 | 0.74 | 0.70 | 0.83 | 0.66 |
| 1.16 | 0.95 | 1.38 | 1.19 | 1.82 | 1.51 | 1.70 | 1.32 |
| 0.66 | 0.59 | 1.49 | 2.60 | 0.64 | 0.80 | 0.77 | 0.54 |
| 11.85 | 11.16 | 12.96 | 10.56 | 13.21 | 10.23 | 12.03 | 10.47 |

## REPORT ON OPERATIONS - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

| | NEW ENGLAND AND UP-STATE NEW YORK | | METROPOLITAN NEW YORK AND NEW JERSEY | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 20.36 | 19.49 | 20.14 | 15.96 |
| Other chargeable materials | 5.05 | 4.50 | 6.76 | 5.14 |
| Outside services | 7.44 | 7.39 | 10.98 | 11.58 |
| TOTAL MATERIAL | 32.85 | 31.38 | 37.88 | 32.68 |
| FACTORY PAYROLL | 29.82 | 27.08 | 25.31 | 18.16 |
| FACTORY EXPENSES | 13.29 | 12.93 | 12.15 | 12.56 |
| TOTAL FACTORY COST OF PRODUCT | 75.96 | 71.39 | 75.34 | 63.40 |
| GROSS PROFIT | 24.04 | 28.61 | 24.66 | 36.60 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 11.35 | 12.42 | 11.78 | 9.10 |
| Selling expenses | 7.97 | 6.42 | 6.85 | 10.13 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 19.32 | 18.84 | 18.63 | 19.23 |
| INCOME BEFORE INTEREST EXPENSE | 4.72 | 9.77 | 6.03 | 17.37 |
| Interest expense | 1.86 | 0.85 | 1.75 | 1.16 |
| OPERATING INCOME | 2.86 | 8.92 | 4.28 | 16.21 |
| Other income | 0.77 | 1.79 | 0.61 | 0.99 |
| INCOME BEFORE INCOME TAXES | 3.63 | 10.71 | 4.89 | 17.20 |

## SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 1.34% | 1.23% | 1.17% | 0.62% |
| Film | 1.25 | 0.80 | 1.44 | 1.60 |
| Plates | 1.55 | 1.71 | 2.72 | 1.93 |
| Other chargeable materials | 0.91 | 0.76 | 1.43 | 0.99 |
| TOTAL OTHER CHARGEABLE MATERIALS | 5.05 | 4.50 | 6.76 | 5.14 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.79 | 0.38 | 1.65 | 0.15 |
| Offset preparation | 1.12 | 1.28 | 0.81 | 0.60 |
| Printing | 1.76 | 1.18 | 0.57 | 0.40 |
| Binding | 2.25 | 4.22 | 6.97 | 10.43 |
| Other outside services | 1.52 | 0.33 | 0.98 | 0.00 |
| TOTAL OUTSIDE SERVICES | 7.44 | 7.39 | 10.98 | 11.58 |

| EASTERN PENNA., MARYLAND AND D.C. | | SOUTHEAST ATLANTIC | | EAST NORTH CENTRAL | | SOUTH CENTRAL | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 21.23 | 20.25 | 22.29 | 21.30 | 23.04 | 21.17 | 22.15 | 20.19 |
| 5.60 | 3.95 | 5.03 | 4.28 | 5.23 | 5.32 | 5.00 | 4.59 |
| 9.30 | 9.05 | 7.60 | 8.94 | 5.48 | 5.09 | 9.80 | 10.75 |
| 36.13 | 33.25 | 34.92 | 34.52 | 33.75 | 31.58 | 36.95 | 35.53 |
| 28.58 | 27.15 | 27.64 | 25.35 | 29.92 | 29.65 | 25.81 | 24.58 |
| 11.82 | 11.80 | 13.17 | 11.06 | 12.77 | 11.91 | 12.45 | 10.84 |
| 76.53 | 72.20 | 75.73 | 70.93 | 76.44 | 73.14 | 75.21 | 70.95 |
| 23.47 | 27.80 | 24.27 | 29.07 | 23.56 | 26.86 | 24.79 | 29.05 |
| 10.11 | 9.32 | 10.59 | 9.40 | 10.61 | 8.49 | 11.28 | 10.75 |
| 8.30 | 7.82 | 8.42 | 7.20 | 8.06 | 9.34 | 8.72 | 9.08 |
| 18.41 | 17.14 | 19.01 | 16.60 | 18.67 | 17.83 | 20.00 | 19.83 |
| 5.06 | 10.66 | 5.26 | 12.47 | 4.89 | 9.03 | 4.79 | 9.22 |
| 1.65 | 1.18 | 2.14 | 1.37 | 2.39 | 1.03 | 1.69 | 0.63 |
| 3.41 | 9.48 | 3.12 | 11.10 | 2.50 | 8.00 | 3.10 | 8.59 |
| 0.61 | 1.15 | 0.66 | 0.58 | 0.66 | 1.76 | 1.08 | 1.51 |
| 4.02 | 10.63 | 3.78 | 11.68 | 3.16 | 9.76 | 4.18 | 10.10 |

|  |  |  |  |  |  |  |  |
|---|---|---|---|---|---|---|---|
| 1.32% | 1.15% | 1.21% | 0.85% | 1.26% | 0.29% | 1.46% | 1.49% |
| 1.07 | 0.90 | 1.82 | 1.56 | 1.45 | 1.47 | 0.83 | 1.30 |
| 1.42 | 0.86 | 1.23 | 0.89 | 0.85 | 0.98 | 1.30 | 0.79 |
| 1.79 | 1.04 | 0.77 | 0.98 | 1.67 | 2.58 | 1.41 | 1.01 |
| 5.60 | 3.95 | 5.03 | 4.28 | 5.23 | 5.32 | 5.00 | 4.59 |
| 1.51 | 1.28 | 0.93 | 0.67 | 0.64 | 0.20 | 1.05 | 1.32 |
| 0.99 | 1.36 | 1.27 | 1.50 | 1.12 | 0.07 | 2.13 | 3.66 |
| 1.40 | 1.46 | 2.85 | 4.73 | 0.96 | 1.11 | 2.04 | 0.01 |
| 2.94 | 3.90 | 0.89 | 0.36 | 1.70 | 1.32 | 2.08 | 1.13 |
| 2.46 | 1.05 | 1.66 | 1.68 | 1.06 | 2.39 | 2.50 | 4.63 |
| 9.30 | 9.05 | 7.60 | 8.94 | 5.48 | 5.09 | 9.80 | 10.75 |

SUPPORTING SCHEDULES - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

| | NEW ENGLAND AND UP-STATE NEW YORK | | METROPOLITAN NEW YORK AND NEW JERSEY | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.29% | 2.10% | 2.21% | 2.45% |
| Direct wages | 19.04 | 17.08 | 14.34 | 11.97 |
| General factory salaries and wages | 3.49 | 3.84 | 4.17 | 0.52 |
| Packing, shipping and delivery wages | 0.86 | 0.57 | 0.75 | 0.12 |
| Payroll taxes | 2.03 | 1.62 | 1.56 | 0.67 |
| Employee benefits | 2.11 | 1.87 | 2.28 | 2.43 |
| TOTAL FACTORY PAYROLL | 29.82 | 27.08 | 25.31 | 18.16 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.23 | 0.36 | 0.20 | 0.38 |
| Depreciation - other | 2.98 | 2.89 | 3.46 | 4.65 |
| Taxes - real estate | 0.21 | 0.30 | 0.15 | 0.25 |
| Taxes - other | 0.12 | 0.00 | 0.07 | 0.04 |
| Insurance | 0.72 | 0.62 | 0.79 | 1.33 |
| Building rent | 1.65 | 1.55 | 1.92 | 1.52 |
| Utilities - heat, light, etc. | 1.45 | 1.24 | 1.41 | 1.15 |
| Equipment rental | 0.41 | 0.94 | 0.15 | 0.00 |
| Total Fixed Expenses | 7.77 | 7.90 | 8.15 | 9.32 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.28 | 2.19 | 1.99 | 0.85 |
| Packing, shipping and delivery expense | 1.07 | 0.95 | 0.39 | 0.68 |
| Repairs and maintenance | 1.27 | 1.38 | 1.33 | 1.44 |
| Other factory expenses | 0.90 | 0.51 | 0.29 | 0.27 |
| Total Other Expenses | 5.52 | 5.03 | 4.00 | 3.24 |
| TOTAL FACTORY EXPENSES | 13.29 | 12.93 | 12.15 | 12.56 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 3.66 | 3.88 | 4.29 | 2.82 |
| Salaries - office | 2.97 | 3.17 | 2.87 | 2.18 |
| Payroll taxes | 0.47 | 0.42 | 0.41 | 0.32 |
| Employee benefits | 0.70 | 0.75 | 0.68 | 0.74 |
| Bad debts | 0.29 | 0.18 | 0.11 | 0.17 |
| Office supplies and expenses | 0.55 | 0.39 | 0.54 | 0.43 |
| Professional fees | 0.54 | 0.71 | 0.62 | 0.51 |
| Taxes - business | 0.18 | 0.42 | 0.28 | 0.33 |
| Telephone | 0.51 | 0.42 | 0.52 | 0.60 |
| Other administrative expenses | 1.48 | 2.08 | 1.46 | 1.00 |
| TOTAL ADMINISTRATIVE EXPENSES | 11.35 | 12.42 | 11.78 | 9.10 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.26 | 0.96 | 1.06 | 2.70 |
| Salaries and commissions - salesmen | 3.53 | 2.98 | 2.84 | 2.59 |
| Salaries - sales office clerical | 0.56 | 0.43 | 0.40 | 0.00 |
| Payroll taxes | 0.36 | 0.26 | 0.24 | 0.28 |
| Employee benefits | 0.36 | 0.31 | 0.25 | 0.54 |
| Advertising | 0.35 | 0.33 | 0.52 | 1.35 |
| Travel and entertainment | 1.03 | 0.66 | 0.77 | 1.27 |
| Other selling expenses | 0.52 | 0.49 | 0.77 | 1.40 |
| TOTAL SELLING EXPENSES | 7.97 | 6.42 | 6.85 | 10.13 |

| EASTERN PENNA., MARYLAND AND D.C. |  | SOUTHEAST ATLANTIC |  | EAST NORTH CENTRAL |  | SOUTH CENTRAL |  |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 1.61% | 2.30% | 2.54% | 2.37% | 2.68% | 2.00% | 1.80% | 1.28% |
| 18.93 | 17.10 | 18.70 | 18.25 | 17.42 | 18.93 | 17.80 | 15.94 |
| 2.95 | 2.08 | 2.30 | 1.28 | 3.81 | 3.13 | 1.91 | 2.85 |
| 0.92 | 1.12 | 0.81 | 0.51 | 0.97 | 0.53 | 0.83 | 0.84 |
| 1.91 | 1.80 | 1.84 | 1.57 | 2.16 | 2.01 | 1.62 | 1.50 |
| 2.26 | 2.75 | 1.45 | 1.37 | 2.88 | 3.05 | 1.85 | 2.17 |
| 28.58 | 27.15 | 27.64 | 25.35 | 29.92 | 29.65 | 25.81 | 24.58 |
|  |  |  |  |  |  |  |  |
| 0.29 | 0.19 | 0.18 | 0.27 | 0.41 | 0.42 | 0.41 | 0.25 |
| 2.20 | 2.58 | 3.37 | 3.15 | 2.94 | 2.32 | 2.60 | 2.32 |
| 0.20 | 0.13 | 0.23 | 0.13 | 0.20 | 0.26 | 0.13 | 0.16 |
| 0.08 | 0.14 | 0.24 | 0.25 | 0.39 | 0.46 | 0.28 | 0.29 |
| 0.76 | 0.79 | 0.62 | 0.49 | 0.58 | 0.56 | 0.60 | 0.50 |
| 1.34 | 1.06 | 1.36 | 0.88 | 1.28 | 0.88 | 1.43 | 1.06 |
| 1.28 | 1.03 | 1.33 | 1.18 | 1.30 | 1.29 | 1.07 | 0.91 |
| 0.51 | 0.42 | 0.65 | 0.38 | 0.41 | 0.11 | 0.48 | 0.36 |
| 6.66 | 6.34 | 7.98 | 6.73 | 7.51 | 6.30 | 7.00 | 5.85 |
| 2.33 | 2.50 | 2.21 | 1.51 | 2.08 | 1.35 | 2.34 | 2.52 |
| 1.08 | 1.14 | 0.89 | 0.91 | 1.22 | 1.42 | 0.91 | 0.71 |
| 1.11 | 1.04 | 1.50 | 1.31 | 1.18 | 1.21 | 1.37 | 0.92 |
| 0.64 | 0.78 | 0.59 | 0.60 | 0.78 | 1.63 | 0.83 | 0.84 |
| 5.16 | 5.46 | 5.19 | 4.33 | 5.26 | 5.61 | 5.45 | 4.99 |
| 11.82 | 11.80 | 13.17 | 11.06 | 12.77 | 11.91 | 12.45 | 10.84 |
|  |  |  |  |  |  |  |  |
| 2.88 | 3.14 | 3.52 | 2.02 | 3.10 | 2.28 | 3.90 | 4.93 |
| 2.56 | 2.06 | 2.65 | 3.84 | 2.57 | 1.95 | 2.59 | 2.05 |
| 0.40 | 0.37 | 0.40 | 0.38 | 0.55 | 0.32 | 0.45 | 0.44 |
| 0.66 | 0.65 | 0.40 | 0.38 | 0.55 | 0.52 | 0.72 | 0.45 |
| 0.34 | 0.24 | 0.38 | 0.30 | 0.41 | 0.58 | 0.36 | 0.13 |
| 0.52 | 0.51 | 0.58 | 0.59 | 0.36 | 0.35 | 0.52 | 0.56 |
| 0.64 | 0.68 | 0.50 | 0.30 | 0.58 | 0.55 | 0.52 | 0.40 |
| 0.13 | 0.10 | 0.22 | 0.15 | 0.42 | 0.36 | 0.23 | 0.12 |
| 0.50 | 0.40 | 0.64 | 0.64 | 0.47 | 0.29 | 0.49 | 0.45 |
| 1.48 | 1.17 | 1.30 | 0.80 | 1.60 | 1.29 | 1.50 | 1.22 |
| 10.11 | 9.32 | 10.59 | 9.40 | 10.61 | 8.49 | 11.28 | 10.75 |
|  |  |  |  |  |  |  |  |
| 1.53 | 1.23 | 1.46 | 1.62 | 1.25 | 1.50 | 1.54 | 0.91 |
| 3.63 | 3.21 | 3.68 | 2.67 | 3.16 | 3.65 | 3.80 | 4.77 |
| 0.52 | 0.77 | 0.70 | 0.83 | 0.94 | 1.48 | 0.48 | 0.52 |
| 0.33 | 0.28 | 0.35 | 0.32 | 0.31 | 0.43 | 0.32 | 0.32 |
| 0.39 | 0.52 | 0.26 | 0.24 | 0.39 | 0.59 | 0.44 | 0.52 |
| 0.36 | 0.33 | 0.48 | 0.52 | 0.40 | 0.17 | 0.57 | 0.47 |
| 0.85 | 0.84 | 0.86 | 0.60 | 0.80 | 0.71 | 0.90 | 1.06 |
| 0.69 | 0.64 | 0.63 | 0.40 | 0.81 | 0.81 | 0.67 | 0.51 |
| 8.30 | 7.82 | 8.42 | 7.20 | 8.06 | 9.34 | 8.72 | 9.08 |

## REPORT ON OPERATIONS - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

| | CHICAGO AREA | | WEST NORTH CENTRAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 22.24 | 16.92 | 23.26 | 26.44 |
| Other chargeable materials | 4.77 | 4.01 | 4.62 | 5.91 |
| Outside services | 9.13 | 9.76 | 7.19 | 8.66 |
| TOTAL MATERIAL | 36.14 | 30.69 | 35.07 | 41.01 |
| FACTORY PAYROLL | 27.95 | 22.88 | 29.91 | 25.06 |
| FACTORY EXPENSES | 12.35 | 12.05 | 12.05 | 9.12 |
| TOTAL FACTORY COST OF PRODUCT | 76.44 | 65.62 | 77.03 | 75.19 |
| GROSS PROFIT | 23.56 | 34.38 | 22.97 | 24.81 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 9.26 | 10.82 | 11.03 | 9.27 |
| Selling expenses | 9.22 | 11.92 | 8.01 | 7.19 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 18.48 | 22.74 | 19.04 | 16.46 |
| INCOME BEFORE INTEREST EXPENSE | 5.08 | 11.64 | 3.93 | 8.35 |
| Interest expense | 1.64 | 0.99 | 2.45 | 0.68 |
| OPERATING INCOME | 3.44 | 10.65 | 1.48 | 7.67 |
| Other income | 0.61 | 1.12 | 0.88 | 1.01 |
| INCOME BEFORE INCOME TAXES | 4.05 | 11.77 | 2.36 | 8.68 |

## SUPPORTING SCHEDULES - SALES = 100%

| | CHICAGO AREA | | WEST NORTH CENTRAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 1.37% | 1.30% | 1.24% | 2.05% |
| Film | 1.33 | 0.85 | 0.88 | 0.77 |
| Plates | 1.29 | 1.04 | 1.63 | 1.32 |
| Other chargeable materials | 0.78 | 0.82 | 0.87 | 1.77 |
| TOTAL OTHER CHARGEABLE MATERIALS | 4.77 | 4.01 | 4.62 | 5.91 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.55 | 0.38 | 0.56 | 1.16 |
| Offset preparation | 1.70 | 1.75 | 2.38 | 3.14 |
| Printing | 4.08 | 2.38 | 1.44 | 2.68 |
| Binding | 1.41 | 4.29 | 1.35 | 1.68 |
| Other outside services | 1.39 | 0.96 | 1.46 | 0.00 |
| TOTAL OUTSIDE SERVICES | 9.13 | 9.76 | 7.19 | 8.66 |

| PLAINS AND MOUNTAIN STATES ALL FIRMS | PLAINS AND MOUNTAIN STATES PROFIT LEADERS | PACIFIC SOUTHWEST ALL FIRMS | PACIFIC SOUTHWEST PROFIT LEADERS | PACIFIC NORTHWEST ALL FIRMS | PACIFIC NORTHWEST PROFIT LEADERS | CANADA ALL FIRMS | CANADA PROFIT LEADERS |
|---|---|---|---|---|---|---|---|
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 21.35 | 20.71 | 19.72 | 19.81 | 20.69 | 22.23 | 23.31 | 22.88 |
| 6.36 | 4.43 | 4.49 | 3.43 | 4.16 | 3.18 | 5.48 | 5.44 |
| 8.13 | 7.75 | 10.38 | 10.25 | 11.66 | 8.51 | 8.45 | 8.86 |
| 35.84 | 32.89 | 34.59 | 33.49 | 36.51 | 33.92 | 37.24 | 37.18 |
| 27.22 | 25.88 | 26.35 | 24.76 | 26.61 | 23.34 | 26.55 | 24.24 |
| 12.91 | 12.49 | 13.26 | 11.78 | 11.75 | 10.98 | 10.78 | 10.60 |
| 75.97 | 71.26 | 74.20 | 70.03 | 75.07 | 68.24 | 74.57 | 72.02 |
| 24.03 | 28.74 | 25.80 | 29.97 | 24.93 | 31.76 | 25.43 | 27.98 |
| 10.95 | 9.30 | 11.91 | 11.51 | 11.25 | 9.65 | 9.75 | 8.43 |
| 7.63 | 7.49 | 8.28 | 7.12 | 8.35 | 6.83 | 7.49 | 6.45 |
| 18.58 | 16.79 | 20.19 | 18.63 | 19.60 | 16.48 | 17.24 | 14.88 |
| 5.45 | 11.95 | 5.61 | 11.34 | 5.33 | 15.28 | 8.19 | 13.10 |
| 2.18 | 1.25 | 1.85 | 1.36 | 1.87 | 0.87 | 2.79 | 1.76 |
| 3.27 | 10.70 | 3.76 | 9.98 | 3.46 | 14.41 | 5.40 | 11.34 |
| 1.69 | 1.64 | 0.20 | 1.69 | 0.47 | 0.51 | 0.75 | 1.00 |
| 4.96 | 12.34 | 3.96 | 11.67 | 3.93 | 14.92 | 6.15 | 12.34 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1.24% | 0.95% | 1.39% | 1.01% | 1.17% | 0.93% | 1.24% | 1.28% |
| 1.25 | 1.23 | 0.89 | 0.65 | 1.33 | 0.98 | 1.44 | 1.57 |
| 1.25 | 1.17 | 1.23 | 0.85 | 0.96 | 0.88 | 1.24 | 1.15 |
| 2.62 | 1.08 | 0.98 | 0.92 | 0.70 | 0.39 | 1.56 | 1.44 |
| 6.36 | 4.43 | 4.49 | 3.43 | 4.16 | 3.18 | 5.48 | 5.44 |
| 0.93 | 0.71 | 0.83 | 0.98 | 2.21 | 1.50 | 1.48 | 1.31 |
| 1.05 | 1.28 | 2.67 | 5.11 | 1.43 | 1.37 | 2.09 | 2.63 |
| 2.60 | 3.09 | 2.76 | 0.25 | 2.23 | 1.46 | 1.86 | 2.44 |
| 1.40 | 1.33 | 2.12 | 1.60 | 2.92 | 2.77 | 1.89 | 1.45 |
| 2.15 | 1.34 | 2.00 | 2.31 | 2.87 | 1.41 | 1.13 | 1.03 |
| 8.13 | 7.75 | 10.38 | 10.25 | 11.66 | 8.51 | 8.45 | 8.86 |

## SUPPORTING SCHEDULES - SALES = 100% - ALL FIRMS AND PROFIT LEADERS

| | CHICAGO AREA | | WEST NORTH CENTRAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.13% | 1.70% | 2.23% | 1.87% |
| Direct wages | 17.65 | 15.93 | 20.80 | 17.34 |
| General factory salaries and wages | 2.99 | 1.05 | 2.28 | 0.78 |
| Packing, shipping and delivery wages | 1.03 | 0.49 | 0.71 | 1.69 |
| Payroll taxes | 1.82 | 1.45 | 1.87 | 1.52 |
| Employee benefits | 2.33 | 2.26 | 2.02 | 1.86 |
| TOTAL FACTORY PAYROLL | 27.95 | 22.88 | 29.91 | 25.06 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.28 | 0.22 | 0.24 | 0.00 |
| Depreciation - other | 2.63 | 2.55 | 2.79 | 1.70 |
| Taxes - real estate | 0.23 | 0.28 | 0.17 | 0.00 |
| Taxes - other | 0.14 | 0.00 | 0.09 | 0.01 |
| Insurance | 0.60 | 0.46 | 0.59 | 0.41 |
| Building rent | 1.11 | 1.53 | 1.52 | 1.15 |
| Utilities - heat, light, etc. | 1.16 | 1.16 | 0.96 | 0.52 |
| Equipment rental | 0.24 | 0.01 | 0.73 | 0.01 |
| Total Fixed Expenses | 6.39 | 6.21 | 7.09 | 3.80 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.23 | 1.80 | 2.08 | 1.31 |
| Packing, shipping and delivery expense | 1.52 | 2.03 | 1.11 | 2.58 |
| Repairs and maintenance | 1.13 | 1.44 | 0.98 | 0.88 |
| Other factory expenses | 1.08 | 0.57 | 0.79 | 0.55 |
| Total Other Expenses | 5.96 | 5.84 | 4.96 | 5.32 |
| TOTAL FACTORY EXPENSES | 12.35 | 12.05 | 12.05 | 9.12 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.52 | 2.49 | 4.26 | 3.53 |
| Salaries - office | 2.45 | 2.75 | 2.51 | 2.50 |
| Payroll taxes | 0.35 | 0.24 | 0.37 | 0.26 |
| Employee benefits | 0.74 | 1.28 | 0.60 | 0.71 |
| Bad debts | 0.24 | 0.27 | 0.34 | 0.10 |
| Office supplies and expenses | 0.37 | 0.47 | 0.45 | 0.37 |
| Professional fees | 0.49 | 0.91 | 0.57 | 0.38 |
| Taxes - business | 0.18 | 0.19 | 0.04 | 0.00 |
| Telephone | 0.44 | 0.51 | 0.38 | 0.24 |
| Other administrative expenses | 1.48 | 1.71 | 1.51 | 1.18 |
| TOTAL ADMINISTRATIVE EXPENSES | 9.26 | 10.82 | 11.03 | 9.27 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.90 | 1.51 | 1.60 | 1.86 |
| Salaries and commissions - salesmen | 3.69 | 5.03 | 3.71 | 3.24 |
| Salaries - sales office clerical | 0.64 | 1.37 | 0.47 | 0.00 |
| Payroll taxes | 0.33 | 0.36 | 0.30 | 0.22 |
| Employee benefits | 0.33 | 0.32 | 0.33 | 0.51 |
| Advertising | 0.37 | 0.56 | 0.33 | 0.13 |
| Travel and entertainment | 1.21 | 1.78 | 0.80 | 1.03 |
| Other selling expenses | 0.75 | 0.99 | 0.47 | 0.20 |
| TOTAL SELLING EXPENSES | 9.22 | 11.92 | 8.01 | 7.19 |

| PLAINS AND MOUNTAIN STATES | | PACIFIC SOUTHWEST | | PACIFIC NORTHWEST | | CANADA | |
|---|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.54% | 3.46% | 1.91% | 1.22% | 1.75% | 0.35% | 2.00% | 2.02% |
| 18.11 | 15.32 | 18.76 | 17.77 | 17.63 | 13.85 | 19.41 | 18.46 |
| 2.48 | 3.48 | 1.70 | 2.50 | 2.62 | 4.63 | 2.71 | 1.61 |
| 0.94 | 0.73 | 0.74 | 0.46 | 0.79 | 0.98 | 0.71 | 0.61 |
| 1.71 | 1.53 | 1.84 | 1.73 | 2.01 | 1.71 | 0.56 | 0.40 |
| 1.44 | 1.36 | 1.40 | 1.08 | 2.01 | 1.82 | 1.16 | 1.14 |
| 27.22 | 25.88 | 26.35 | 24.76 | 26.81 | 23.34 | 26.55 | 24.24 |
| | | | | | | | |
| 0.21 | 0.22 | 0.16 | 0.36 | 0.36 | 0.06 | 0.29 | 0.40 |
| 3.03 | 2.91 | 2.37 | 2.50 | 2.69 | 2.44 | 2.93 | 3.29 |
| 0.13 | 0.12 | 0.16 | 0.16 | 0.13 | 0.16 | 0.29 | 0.27 |
| 0.32 | 0.41 | 0.26 | 0.23 | 0.21 | 0.35 | 0.08 | 0.03 |
| 0.60 | 0.51 | 0.77 | 0.97 | 0.56 | 0.43 | 0.36 | 0.33 |
| 1.49 | 1.61 | 2.16 | 1.40 | 2.07 | 2.58 | 1.54 | 1.30 |
| 1.16 | 1.04 | 1.04 | 1.06 | 0.78 | 1.10 | 0.73 | 0.65 |
| 1.01 | 1.03 | 1.08 | 0.69 | 0.40 | 0.00 | 0.35 | 0.38 |
| 7.95 | 7.85 | 8.00 | 7.37 | 7.20 | 7.12 | 6.57 | 6.65 |
| 1.87 | 1.66 | 2.04 | 1.64 | 1.80 | 2.07 | 1.38 | 1.57 |
| 1.11 | 0.90 | 0.85 | 0.43 | 1.03 | 0.67 | 1.03 | 1.01 |
| 1.26 | 1.41 | 1.60 | 1.03 | 1.14 | 0.83 | 1.29 | 1.04 |
| 0.72 | 0.67 | 0.77 | 1.31 | 0.58 | 0.29 | 0.51 | 0.33 |
| 4.96 | 4.64 | 5.26 | 4.41 | 4.55 | 3.86 | 4.21 | 3.95 |
| 12.91 | 12.49 | 13.26 | 11.78 | 11.75 | 10.98 | 10.78 | 10.60 |
| | | | | | | | |
| 3.60 | 3.11 | 3.65 | 5.09 | 3.35 | 1.79 | 2.38 | 2.36 |
| 2.61 | 2.11 | 3.22 | 2.13 | 2.43 | 2.73 | 3.05 | 2.46 |
| 0.41 | 0.30 | 0.47 | 0.39 | 0.47 | 0.29 | 0.11 | 0.05 |
| 0.42 | 0.41 | 0.57 | 0.38 | 0.70 | 0.40 | 0.25 | 0.25 |
| 0.47 | 0.25 | 0.50 | 0.08 | 0.49 | 0.79 | 0.59 | 0.55 |
| 0.47 | 0.49 | 0.68 | 0.63 | 0.63 | 0.62 | 0.67 | 0.56 |
| 0.58 | 0.53 | 0.69 | 0.70 | 0.61 | 0.72 | 0.72 | 0.67 |
| 0.13 | 0.10 | 0.15 | 0.11 | 0.54 | 0.38 | 0.15 | 0.14 |
| 0.47 | 0.44 | 0.47 | 0.49 | 0.47 | 0.53 | 0.51 | 0.41 |
| 1.79 | 1.56 | 1.51 | 1.51 | 1.56 | 1.40 | 1.32 | 0.98 |
| 10.95 | 9.30 | 11.91 | 11.51 | 11.25 | 9.65 | 9.75 | 8.43 |
| | | | | | | | |
| 1.44 | 1.90 | 1.23 | 1.55 | 1.31 | 0.99 | 1.20 | 1.42 |
| 3.34 | 2.73 | 3.79 | 2.07 | 3.82 | 2.57 | 3.39 | 2.90 |
| 0.68 | 0.84 | 0.25 | 0.23 | 0.43 | 0.71 | 0.59 | 0.37 |
| 0.26 | 0.30 | 0.29 | 0.23 | 0.37 | 0.21 | 0.07 | 0.03 |
| 0.20 | 0.21 | 0.22 | 0.19 | 0.40 | 0.37 | 0.16 | 0.16 |
| 0.55 | 0.46 | 0.67 | 0.34 | 0.47 | 0.45 | 0.54 | 0.42 |
| 0.74 | 0.65 | 0.89 | 0.77 | 1.14 | 1.01 | 1.06 | 0.82 |
| 0.42 | 0.40 | 0.94 | 1.74 | 0.41 | 0.52 | 0.48 | 0.33 |
| 7.63 | 7.49 | 8.28 | 7.12 | 8.35 | 6.83 | 7.49 | 6.45 |

## BALANCE SHEET - ALL FIRMS

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 6.32% | 13.70% | 9.78% |
| Receivables | 31.64 | 30.69 | 35.83 |
| Inventories | 14.37 | 11.67 | 11.90 |
| Other current assets | 6.71 | 2.72 | 4.78 |
| TOTAL CURRENT ASSETS | 59.04 | 58.78 | 62.29 |
| FIXED ASSETS | | | |
| Real estate | 7.44 | 7.43 | 9.50 |
| Less: Accumulated depreciation | 2.57 | 1.22 | 2.52 |
| | 4.87 | 6.21 | 6.98 |
| Machinery and equipment | 65.60 | 68.73 | 60.89 |
| Less: Accumulated depreciation | 36.96 | 41.84 | 36.79 |
| | 28.64 | 26.89 | 24.10 |
| Other fixed assets | 8.67 | 11.21 | 6.47 |
| Less: Accumulated depreciation | 5.09 | 5.08 | 3.59 |
| | 3.58 | 6.13 | 2.88 |
| NET FIXED ASSETS | 37.09 | 39.23 | 33.96 |
| OTHER ASSETS | 3.87 | 1.99 | 3.75 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 9.28 | 5.91 | 9.14 |
| Accounts payable | 15.96 | 16.31 | 16.95 |
| Other current liabilities | 8.81 | 7.10 | 10.07 |
| TOTAL CURRENT LIABILITIES | 34.05 | 29.32 | 36.16 |
| LONG-TERM LIABILITIES | 25.71 | 18.39 | 21.36 |
| TOTAL LIABILITIES | 59.76 | 47.71 | 57.52 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 40.24 | 52.29 | 42.48 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.73 | 2.00 | 1.72 |
| QUICK RATIO | 1.31 | 1.61 | 1.39 |
| TOTAL LIABILITIES TO EQUITY | 1.49 | 0.91 | 1.35 |
| LONG-TERM LIABILITIES TO EQUITY | 0.64 | 0.35 | 0.50 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.56 | 0.61 | 0.60 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| 7.14% | 4.10% | 8.80% | 7.10% | 8.15% | 8.97% | 9.79% | 6.76% | 3.52% |
| 28.58 | 31.95 | 31.60 | 32.60 | 32.30 | 32.49 | 32.57 | 31.58 | 35.52 |
| 13.40 | 13.82 | 14.46 | 16.29 | 12.81 | 12.95 | 10.44 | 13.53 | 13.73 |
| 4.78 | 5.04 | 4.78 | 3.74 | 3.38 | 3.21 | 3.87 | 4.17 | 4.02 |
| 53.90 | 54.91 | 59.64 | 59.73 | 56.64 | 57.62 | 56.67 | 56.04 | 56.79 |
| 7.33 | 15.76 | 11.08 | 12.80 | 9.98 | 9.76 | 6.43 | 7.43 | 9.85 |
| 2.31 | 5.05 | 3.61 | 4.36 | 2.68 | 2.86 | 2.31 | 2.42 | 2.15 |
| 5.02 | 10.71 | 7.47 | 8.44 | 7.30 | 6.90 | 4.12 | 5.01 | 7.70 |
| 68.36 | 64.03 | 61.54 | 62.76 | 62.71 | 62.97 | 63.28 | 58.52 | 59.92 |
| 35.36 | 36.36 | 36.10 | 38.37 | 34.13 | 35.08 | 33.51 | 29.85 | 31.09 |
| 33.00 | 27.67 | 25.44 | 24.39 | 28.58 | 27.89 | 29.77 | 28.67 | 28.83 |
| 8.47 | 6.16 | 8.07 | 6.04 | 6.96 | 6.67 | 7.61 | 9.56 | 4.67 |
| 3.88 | 2.81 | 3.91 | 3.21 | 3.81 | 3.28 | 3.97 | 4.71 | 2.52 |
| 4.59 | 3.35 | 4.16 | 2.83 | 3.15 | 3.39 | 3.64 | 4.85 | 2.15 |
| 42.61 | 41.73 | 37.07 | 35.66 | 39.03 | 38.18 | 37.53 | 38.53 | 38.68 |
| 3.49 | 3.36 | 3.29 | 4.61 | 4.33 | 4.20 | 5.80 | 5.43 | 4.53 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 8.61 | 8.13 | 9.44 | 8.53 | 8.78 | 7.12 | 7.54 | 8.84 | 9.71 |
| 12.09 | 11.94 | 13.90 | 13.61 | 12.27 | 12.57 | 14.91 | 12.08 | 18.45 |
| 7.03 | 10.14 | 9.30 | 8.77 | 10.43 | 8.20 | 9.01 | 10.96 | 10.91 |
| 27.73 | 30.21 | 32.64 | 30.91 | 31.48 | 27.89 | 31.46 | 31.88 | 39.07 |
| 28.71 | 26.60 | 22.60 | 24.26 | 29.83 | 23.84 | 26.11 | 25.56 | 27.98 |
| 56.44 | 56.81 | 55.24 | 55.17 | 61.31 | 51.73 | 57.57 | 57.44 | 67.05 |
| 43.56 | 43.19 | 44.76 | 44.83 | 38.69 | 48.27 | 42.43 | 42.56 | 32.95 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.94 | 1.82 | 1.83 | 1.93 | 1.80 | 2.07 | 1.80 | 1.76 | 1.45 |
| 1.46 | 1.36 | 1.38 | 1.41 | 1.39 | 1.60 | 1.47 | 1.33 | 1.10 |
| 1.30 | 1.32 | 1.23 | 1.23 | 1.58 | 1.07 | 1.36 | 1.35 | 2.03 |
| 0.66 | 0.62 | 0.50 | 0.54 | 0.77 | 0.49 | 0.62 | 0.60 | 0.85 |
| 0.52 | 0.57 | 0.59 | 0.61 | 0.54 | 0.56 | 0.53 | 0.51 | 0.52 |

SIGNIFICANT FACTS - ALL FIRMS

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 25,379 | $ 37,022 | $ 28,855 |
| Average assets per factory employee (Excluding Executives) | 43,299 | 54,109 | 39,936 |
| Average net worth per employee - All employees | 10,607 | 20,744 | 12,540 |
| Average gross plant investment per factory employee (Excluding Executives) | 33,595 | 48,271 | 29,732 |
| Net worth percentage of fixed assets | 125.40% | 373.46% | 154.93% |
| EMPLOYEES | | | |
| Percent factory - All employees | 74.80% | 73.84% | 75.83% |
| Percent administrative - All employees | 14.65 | 17.57 | 13.53 |
| Percent sales - All employees | 10.55 | 8.59 | 10.64 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 49,917 | $ 74,203 | $ 60,094 |
| Sales per factory employee | 71,612 | 102,132 | 80,942 |
| Sales less material per factory employee | 47,944 | 60,932 | 50,414 |
| Sales per administrative employee | 427,412 | 585,149 | 541,280 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 56,757 | 84,490 | 66,336 |
| Sales per factory employee | 83,146 | 108,872 | 84,552 |
| Sales less material per factory employee | 56,073 | 64,992 | 52,645 |
| SALES PER SALESMAN | 505,621 | 465,347 | 529,430 |
| SALES TO CURRENT ASSETS | 379% | 415% | 385% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 43.69% | 38.35% | 41.46% |
| Factory payroll percentage of gross plant investment | 82.64 | 70.81 | 98.64 |
| Payroll per employee - All employees | $ 21,441 | $ 26,518 | $ 24,058 |
| Payroll per factory employee | 21,139 | 23,393 | 21,816 |
| Payroll per administrative employee | 27,005 | 31,619 | 28,753 |
| Payroll per sales employee | 29,574 | 37,060 | 40,075 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 17,048 | $ 19,390 | $ 18,676 |
| Payroll per factory employee | 19,498 | 18,727 | 18,026 |
| Payroll per administrative employee | 13,943 | 15,193 | 14,919 |
| Payroll per sales employee | 23,391 | 24,636 | 29,470 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 43,581 | 50,233 | 47,656 |
| Payroll per factory executive | 27,379 | 28,642 | 27,362 |
| Payroll per administrative executive | 50,802 | 55,472 | 47,274 |
| Payroll per sales executive | 29,059 | 33,046 | 38,608 |
| RECEIVABLES | | | |
| Collection period | 55.5 | 49.1 | 58.6 |
| PROFIT | | | |
| Gross profit percentage of sales | 24.04% | 24.66% | 23.47% |
| Average gross profit per factory employee | $ 20,166 | $ 27,166 | $ 20,211 |
| Income before taxes percentage of sales | 3.63% | 4.89% | 4.02% |
| Average income before taxes per employee | $ 1,969 | $ 4,430 | $ 2,719 |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| $ 22,354 | $ 27,323 | $ 27,281 | $ 32,833 | $ 28,356 | $ 28,783 | $ 26,226 | $ 33,128 | $ 33,574 |
| 33,759 | 41,724 | 39,063 | 71,579 | 47,773 | 41,824 | 40,598 | 51,604 | 50,392 |
| 9,350 | 12,350 | 12,318 | 15,723 | 10,454 | 13,531 | 10,971 | 14,048 | 11,766 |
| 27,288 | 35,793 | 30,698 | 54,190 | 37,932 | 33,496 | 29,068 | 37,810 | 36,660 |
| 128.33% | 124.08% | 152.89% | 167.28% | 157.58% | 168.61% | 153.64% | 122.49% | 147.30% |
| 74.42% | 75.36% | 74.23% | 74.54% | 73.68% | 73.76% | 71.28% | 70.33% | 72.62% |
| 13.95 | 14.06 | 14.80 | 12.70 | 14.55 | 15.95 | 18.17 | 16.44 | 16.25 |
| 11.63 | 10.58 | 10.97 | 12.76 | 11.77 | 10.29 | 10.55 | 13.23 | 11.13 |
| $ 44,564 | $ 53,506 | $ 54,408 | $ 68,689 | $ 58,189 | $ 53,346 | $ 58,691 | $ 66,412 | $ 59,412 |
| 61,937 | 71,721 | 73,888 | 126,960 | 85,064 | 73,216 | 84,539 | 95,686 | 83,322 |
| 40,067 | 46,738 | 45,829 | 81,554 | 54,880 | 46,190 | 54,326 | 60,331 | 51,398 |
| 400,880 | 605,340 | 482,130 | 613,664 | 468,633 | 430,019 | 408,172 | 471,868 | 448,522 |
| 50,349 | 60,666 | 61,795 | 77,373 | 67,632 | 61,374 | 68,354 | 77,011 | 67,379 |
| 66,170 | 83,068 | 78,725 | 159,851 | 96,709 | 78,301 | 90,867 | 104,003 | 90,237 |
| 42,830 | 53,567 | 48,777 | 103,400 | 62,469 | 49,512 | 58,296 | 64,789 | 55,822 |
| 355,839 | 577,158 | 501,971 | 587,215 | 484,546 | 436,867 | 397,063 | 366,910 | 454,248 |
| 424% | 401% | 401% | 394% | 420% | 410% | 496% | 407% | 369% |
| 41.07% | 42.73% | 40.06% | 40.89% | 44.06% | 40.18% | 40.03% | 40.10% | 37.77% |
| 76.74 | 79.90 | 85.02 | 92.87 | 97.04 | 100.04 | 101.66 | 83.32 | 77.49 |
| $ 17,877 | $ 22,691 | $ 21,252 | $ 27,138 | $ 25,621 | $ 20,640 | $ 23,176 | $ 26,039 | $ 21,731 |
| 16,123 | 21,176 | 18,399 | 33,164 | 25,777 | 19,007 | 21,333 | 24,747 | 21,052 |
| 22,951 | 27,482 | 28,720 | 31,747 | 29,912 | 23,765 | 25,162 | 27,323 | 20,622 |
| 24,912 | 29,648 | 33,256 | 35,840 | 33,618 | 28,940 | 29,945 | 29,062 | 27,445 |
| $ 14,152 | $ 17,317 | $ 16,226 | $ 20,957 | $ 20,817 | $ 16,507 | $ 18,943 | $ 20,758 | $ 19,346 |
| 13,595 | 16,781 | 15,319 | 31,326 | 23,660 | 16,053 | 18,202 | 20,768 | 19,131 |
| 11,940 | 13,724 | 15,190 | 16,660 | 14,382 | 13,197 | 14,984 | 14,065 | 14,692 |
| 19,595 | 24,886 | 26,074 | 25,494 | 23,912 | 23,289 | 23,573 | 22,616 | 24,085 |
| 33,863 | 36,607 | 41,043 | 48,747 | 40,465 | 36,968 | 32,218 | 37,069 | 31,802 |
| 23,291 | 27,514 | 25,451 | 31,650 | 22,970 | 24,522 | 20,994 | 21,526 | 27,238 |
| 40,611 | 42,438 | 49,149 | 56,332 | 52,850 | 39,081 | 36,814 | 44,049 | 31,245 |
| 28,397 | 36,397 | 36,656 | 44,051 | 33,275 | 30,456 | 21,901 | 26,922 | 24,860 |
| 51.9 | 57.4 | 54.0 | 55.6 | 54.3 | 61.7 | 50.9 | 55.3 | 69.7 |
| 24.27% | 23.56% | 24.79% | 23.56% | 22.97% | 24.03% | 25.80% | 24.93% | 25.43% |
| $ 17,042 | $ 19,750 | $ 19,672 | $ 41,991 | $ 21,561 | $ 18,957 | $ 24,212 | $ 26,171 | $ 23,346 |
| 3.78% | 3.16% | 4.18% | 4.05% | 2.36% | 4.96% | 3.96% | 3.93% | 6.15% |
| $ 1,942 | $ 1,830 | $ 2,467 | $ 3,387 | $ 1,460 | $ 2,951 | $ 2,506 | $ 2,839 | $ 3,953 |

## RETURN ON INVESTMENT - PER $100 OF SALES - ALL FIRMS

| | NEW ENGLAND AND UP-STATE NEW YORK | METROPOLITAN NEW YORK AND NEW JERSEY | EASTERN PENNA., MARYLAND AND D.C. |
|---|---|---|---|
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 3.39 | $ 6.66 | $ 4.54 |
| Receivables | 14.95 | 13.19 | 15.79 |
| Inventories | 6.72 | 4.93 | 5.75 |
| Marketable securities | 2.35 | 0.12 | 1.02 |
| Other current assets | 1.76 | 1.14 | 1.36 |
| | 29.17 | 26.04 | 28.46 |
| Plant Investment: | | | |
| Land and building | 4.28 | 5.63 | 5.71 |
| Machinery and equipment | 31.80 | 32.89 | 27.76 |
| Other fixed assets | 3.74 | 4.66 | 2.75 |
| | 39.82 | 43.18 | 36.22 |
| Non-Current Assets | 2.22 | 0.91 | 1.75 |
| TOTAL INVESTMENT | 71.21 | 70.13 | 66.43 |
| INVESTMENT TURNOVER PER $100 OF SALES | 140.43% | 142.59% | 150.53% |
| EARNINGS | | | |
| Cost of Product | $75.96 | $75.34 | $76.53 |
| Selling Expenses | 7.97 | 6.85 | 8.30 |
| Administrative Expenses | 11.35 | 11.78 | 10.11 |
| | 95.28 | 93.97 | 94.94 |
| Income Before Interest, Other Income, and Taxes | 4.72 | 6.03 | 5.06 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 6.63% | 8.60% | 7.62% |

| SOUTHEAST ATLANTIC | EAST NORTH CENTRAL | SOUTH CENTRAL | CHICAGO AREA | WEST NORTH CENTRAL | PLAINS AND MOUNTAIN STATES | PACIFIC SOUTHWEST | PACIFIC NORTHWEST | CANADA |
|---|---|---|---|---|---|---|---|---|
| $ 3.53 | $ 2.07 | $ 4.32 | $ 3.30 | $ 3.48 | $ 4.80 | $ 4.18 | $ 3.44 | $ 2.12 |
| 13.87 | 15.40 | 14.56 | 14.97 | 14.62 | 16.59 | 13.39 | 14.60 | 18.52 |
| 6.28 | 7.17 | 7.25 | 8.57 | 6.00 | 7.08 | 4.46 | 6.57 | 7.21 |
| 0.70 | 1.00 | 1.27 | 0.80 | 0.72 | 0.49 | 0.23 | 0.34 | 0.75 |
| 1.86 | 2.20 | 1.31 | 1.07 | 0.97 | 1.17 | 1.64 | 1.76 | 1.65 |
| 26.24 | 27.84 | 28.71 | 28.71 | 25.79 | 30.13 | 23.90 | 26.71 | 30.25 |
| 4.11 | 11.16 | 6.08 | 7.87 | 6.51 | 15.81 | 3.37 | 4.58 | 6.63 |
| 33.48 | 30.77 | 29.65 | 28.53 | 30.32 | 32.61 | 25.90 | 27.85 | 32.37 |
| 4.28 | 3.02 | 3.88 | 3.06 | 2.97 | 3.90 | 3.23 | 4.31 | 2.30 |
| 41.87 | 44.95 | 39.61 | 39.46 | 39.80 | 52.32 | 32.50 | 36.74 | 41.30 |
| 1.67 | 1.81 | 1.61 | 2.65 | 2.31 | 2.31 | 3.31 | 3.11 | 2.81 |
| 69.78 | 74.60 | 69.93 | 70.82 | 67.90 | 84.76 | 59.71 | 66.56 | 74.36 |
| 143.31% | 134.05% | 143.00% | 141.20% | 147.28% | 117.98% | 167.48% | 150.24% | 134.48% |
| $75.73 | $76.44 | $75.21 | $76.44 | $77.03 | $75.97 | $74.20 | $75.07 | $74.57 |
| 8.42 | 8.06 | 8.72 | 9.22 | 8.01 | 7.63 | 8.28 | 8.35 | 7.49 |
| 10.59 | 10.61 | 11.28 | 9.26 | 11.03 | 10.95 | 11.91 | 11.25 | 9.75 |
| 94.75 | 95.11 | 95.21 | 94.92 | 96.07 | 94.55 | 94.39 | 94.67 | 91.81 |
| 5.26 | 4.89 | 4.79 | 5.08 | 3.93 | 5.45 | 5.61 | 5.33 | 8.19 |
| 7.54% | 6.56% | 6.85% | 7.17% | 5.79% | 6.43% | 9.40% | 8.01% | 11.01% |

## ABSOLUTE DATA

| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL FIRMS | 739 | $1,599,000 | $ 3,018,000 | $ 143,000 |
| TOTAL - PROFIT LEADERS* | 169 | 1,865,000 | 3,428,000 | 385,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| 0-$250,000 | 29 | 149,000 | 174,000 | 7,000 |
| $250,000-$500,000 | 85 | 181,000 | 371,000 | 14,000 |
| $500,000-$1,500,000 | 212 | 468,000 | 957,000 | 40,000 |
| $1,500,000-$5,000,000 | 292 | 1,445,000 | 2,864,000 | 120,000 |
| $5,000,000-$10,000,000 | 87 | 3,779,000 | 6,853,000 | 337,000 |
| Over $10,000,000 | 34 | 9,186,000 | 16,429,000 | 938,000 |
| PROFIT LEADERS | | | | |
| 0-$250,000 | 8 | 83,000 | 175,000 | 25,000 |
| $250,000-$500,000 | 20 | 185,000 | 389,000 | 49,000 |
| $500,000-$1,500,000 | 43 | 502,000 | 900,000 | 108,000 |
| $1,500,000-$5,000,000 | 58 | 1,413,000 | 2,697,000 | 309,000 |
| $5,000,000-$10,000,000 | 29 | 3,909,000 | 6,656,000 | 725,000 |
| Over $10,000,000 | 11 | 8,536,000 | 16,546,000 | 1,845,000 |
| BY GEOGRAPHIC REGIONS | | | | |
| ALL FIRMS | | | | |
| New England and Up-State New York | 71 | 1,577,000 | 2,936,000 | 114,000 |
| Metropolitan New York and New Jersey | 13 | 1,470,000 | 2,995,000 | 100,000 |
| Eastern Penna., Maryland and D.C. | 58 | 1,936,000 | 3,798,000 | 234,000 |
| Southeast Atlantic | 71 | 1,162,000 | 2,238,000 | 99,000 |
| East North Central | 33 | 2,289,000 | 4,579,000 | 212,000 |
| South Central | 62 | 1,624,000 | 3,151,000 | 156,000 |
| Chicago Area | 54 | 2,658,000 | 4,806,000 | 214,000 |
| West North Central | 44 | 1,476,000 | 2,855,000 | 72,000 |
| Plains and Mountain States | 96 | 1,463,000 | 2,872,000 | 151,000 |
| Pacific Southwest | 54 | 1,233,000 | 2,484,000 | 68,000 |
| Pacific Northwest | 51 | 1,281,000 | 2,438,000 | 100,000 |
| Canada | 132 | 1,506,000 | 2,560,000 | 161,000 |
| PROFIT LEADERS | | | | |
| New England and Up-State New York | 13 | 1,973,000 | 2,924,000 | 288,000 |
| Metropolitan New York and New Jersey | 3 | 1,433,000 | 1,917,000 | 372,000 |
| Eastern Penna., Maryland and D.C. | 16 | 2,684,000 | 5,160,000 | 603,000 |
| Southeast Atlantic | 14 | 861,000 | 1,570,000 | 181,000 |
| East North Central | 6 | 4,249,000 | 7,633,000 | 708,000 |
| South Central | 11 | 2,511,000 | 4,809,000 | 476,000 |
| Chicago Area | 10 | 2,590,000 | 4,732,000 | 514,000 |
| West North Central | 3 | 1,314,000 | 3,970,000 | 341,000 |
| Plains and Mountain States | 34 | 1,470,000 | 3,079,000 | 368,000 |
| Pacific Southwest | 9 | 655,000 | 1,390,000 | 139,000 |
| Pacific Northwest | 6 | 1,176,000 | 1,979,000 | 228,000 |
| Canada | 44 | 1,917,000 | 3,274,000 | 392,000 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 43.

## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| | | | % of Sales | |
|---|---|---|---|---|
| Firm | Sales | Factory Payroll | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |

62.2% divided by 3 = 20.7%

A8740-1.5

**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# Web Offset Study

**PART I NON-HEATSET WEB** . . . . . . . . . **Pages 6 to 34**
**PART II HEATSET WEB** . . . . . . . . . . . . **Pages 35 to 78**

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*Printing Industries of America Inc.*

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H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR WEB OFFSET PRINTERS. This year 58 Non-Heatset Web and 80 Heatset Web printing firms in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance.

This book presents the data for Non-Heatset Web in Part I (pages 6 to 34) and Heatset Web in Part II (pages 35 to 78). The ratios and statistics are presented by sales volume - for example, sales to $1.5 million, sales from $1.5 to $5 million, etc.; by product specialty - for example, Commercial and Advertising, Magazine and Periodical, etc.; and for Heatset only, by percentage of paper supplied - for example, 0% to 11%, 11% to 21%, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Nonheatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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Director Management Services
Printing Industries of America, Inc.
1730 N. Lynn Street
Arlington, VA 22209 — 703-841-8136

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Here are the Ratio Study results for non-heatset printers. Analyzing your own statements against the ratios, recognizing of course, that you need to factor these figures for your own operation, should be helpful to your business in the coming year.

A little over four years ago PIA formed a special section for non-heatset web printers. This section has, in addition to a membership committee, committees that deal with the sales and marketing, production management, and financial management aspects of non-heatset printing.

*Printing Impressions* observed that the unit has made a quick transition into a mature, productive invaluable education center for the industry it serves.

We are now planning our fifth meeting for October 17-20, 1982 at the Four Seasons Hotel, Toronto, Canada. We look forward to seeing you there.

William J. Howe

William J. Howe
Executive Director,
Non-Heatset Web Section
(703) 841-8136

## What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

| | | |
|---|---|---|
| SALES | | $100 |
| LESS: MATERIALS | | |
| Paper | $22 | |
| Other chargeable materials | 6 | |
| Outside services | 7 | |
| | | 35 |
| VALUE ADDED | | $ 65 |

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

## "Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

## Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

## Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

## Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

## Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES UP TO $1.5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 42.35 | 34.34 | 54.05 |
| FACTORY EXPENSES | 18.90 | 16.91 | 18.25 |
| TOTAL FACTORY COST OF PRODUCT | 61.25 | 51.25 | 72.30 |
| GROSS PROFIT | 38.75 | 48.75 | 27.70 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 13.52 | 14.28 | 12.18 |
| Selling expenses | 10.73 | 11.58 | 8.31 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 24.25 | 25.86 | 20.49 |
| INCOME BEFORE INTEREST EXPENSE | 14.50 | 22.89 | 7.21 |
| Interest expense | 3.42 | 3.19 | 2.24 |
| OPERATING INCOME | 11.08 | 19.70 | 4.97 |
| Other income (expense) | 1.44 | 2.00 | 1.29 |
| INCOME BEFORE INCOME TAXES | 12.52 | 21.70 | 6.26 |

* See page 10 for the definition of "Profit Leaders."
** Sample insufficient for "Profit Leaders."

| SALES FROM $1.5 TO $5 MILLION | | SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X | X |
| X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 39.15 | 32.48 | 45.61 | 39.00 | 49.26 | 39.10 | 36.08 |
| 18.49 | 17.09 | 19.07 | 17.33 | 20.33 | 19.73 | 14.10 |
| 57.64 | 49.57 | 64.68 | 56.33 | 69.59 | 58.83 | 50.18 |
| 42.36 | 50.43 | 35.32 | 43.67 | 30.41 | 41.17 | 49.82 |
| 15.04 | 16.40 | 12.71 | 12.43 | 10.44 | 11.75 | 9.28 |
| 12.23 | 11.40 | 9.89 | 13.26 | 5.75 | 10.45 | 12.71 |
| 27.27 | 27.80 | 22.60 | 25.69 | 16.19 | 22.20 | 21.99 |
| 15.09 | 22.63 | 12.72 | 17.98 | 14.22 | 18.97 | 27.83 |
| 3.17 | 2.25 | 3.53 | 3.32 | 6.88 | 3.24 | 4.43 |
| 11.92 | 20.38 | 9.19 | 14.66 | 7.34 | 15.73 | 23.40 |
| 1.79 | 2.59 | 1.44 | 1.48 | 1.24 | 0.51 | (0.53) |
| 13.71 | 22.97 | 10.63 | 16.14 | 8.58 | 16.24 | 22.87 |

## SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES UP TO $1.5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 2.91% | 2.47% | 1.51% |
| Direct wages | 27.07 | 22.21 | 38.95 |
| General factory salaries and wages | 4.70 | 3.24 | 7.02 |
| Packing, shipping and delivery wages | 1.96 | 1.35 | 1.81 |
| Payroll taxes | 2.40 | 1.80 | 3.35 |
| Employee benefits | 3.31 | 3.27 | 1.41 |
| TOTAL FACTORY PAYROLL | 42.35 | 34.34 | 54.05 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.57 | 0.23 | 0.13 |
| Depreciation - other | 4.30 | 3.97 | 5.21 |
| Taxes - real estate | 0.32 | 0.33 | 0.08 |
| Taxes - other | 0.27 | 0.20 | 0.68 |
| Insurance | 0.56 | 0.41 | 0.77 |
| Building rent | 2.06 | 2.53 | 2.74 |
| Utilities - heat, light, etc. | 1.56 | 1.22 | 1.17 |
| Equipment rental | 0.42 | 0.29 | 1.29 |
| Total Fixed Expenses | 10.06 | 9.18 | 12.07 |
| Other Expenses | | | |
| Factory supplies and expense | 3.17 | 2.80 | 1.93 |
| Packing, shipping and delivery expense | 2.42 | 2.68 | 1.50 |
| Repairs and maintenance | 2.25 | 1.54 | 2.52 |
| Other factory expenses | 1.00 | 0.71 | 0.23 |
| Total Other Expenses | 8.84 | 7.73 | 6.18 |
| TOTAL FACTORY EXPENSES | 18.90 | 16.91 | 18.25 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 3.81 | 4.11 | 4.23 |
| Salaries - office | 3.51 | 3.40 | 2.89 |
| Payroll taxes | 0.43 | 0.42 | 0.77 |
| Employee benefits | 0.77 | 1.32 | 0.56 |
| Bad debts | 0.58 | 0.69 | 0.64 |
| Office supplies and expenses | 0.49 | 0.51 | 0.62 |
| Professional fees | 0.95 | 0.69 | 0.89 |
| Taxes - business | 0.28 | 0.30 | 0.19 |
| Telephone | 0.70 | 0.68 | 0.63 |
| Other administrative expenses | 2.00 | 2.16 | 0.76 |
| TOTAL ADMINISTRATIVE EXPENSES | 13.52 | 14.28 | 12.18 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.45 | 1.35 | 3.57 |
| Salaries and commissions - salesmen | 4.88 | 6.44 | 0.09 |
| Salaries - sales office clerical | 0.72 | 0.66 | 0.00 |
| Payroll taxes | 0.32 | 0.28 | 0.49 |
| Employee benefits | 0.47 | 0.50 | 0.30 |
| Advertising | 0.42 | 0.60 | 0.16 |
| Travel and entertainment | 1.03 | 0.71 | 1.16 |
| Other selling expenses | 1.44 | 1.04 | 2.54 |
| TOTAL SELLING EXPENSES | 10.73 | 11.58 | 8.31 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $1.5 TO $5 MILLION | | SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 2.96% | 2.29% | 3.87% | 2.59% | 3.67% | 2.02% | 2.41% |
| 24.18 | 21.56 | 29.92 | 22.28 | 33.51 | 23.43 | 23.75 |
| 4.70 | 2.75 | 3.59 | 4.96 | 3.26 | 5.40 | 3.41 |
| 1.69 | 1.42 | 2.28 | 1.74 | 3.45 | 1.88 | 0.66 |
| 2.57 | 2.13 | 2.27 | 1.97 | 2.14 | 1.61 | 0.90 |
| 3.05 | 2.33 | 3.68 | 5.46 | 3.23 | 4.76 | 4.95 |
| 39.15 | 32.48 | 45.61 | 39.00 | 49.26 | 39.10 | 36.08 |
| | | | | | | |
| 0.61 | 0.26 | 0.40 | 0.12 | 1.53 | 0.47 | 0.29 |
| 4.50 | 3.98 | 3.97 | 3.74 | 4.63 | 3.39 | 3.30 |
| 0.27 | 0.19 | 0.47 | 0.40 | 0.34 | 0.44 | 0.72 |
| 0.20 | 0.24 | 0.31 | 0.32 | 0.03 | 0.34 | 0.00 |
| 0.66 | 0.47 | 0.52 | 0.54 | 0.46 | 0.23 | 0.11 |
| 2.62 | 2.72 | 1.71 | 2.89 | 1.59 | 0.53 | 1.17 |
| 1.49 | 1.06 | 1.79 | 1.87 | 1.58 | 1.67 | 1.14 |
| 0.41 | 0.32 | 0.27 | 0.30 | 0.13 | 0.26 | 0.28 |
| 10.76 | 9.24 | 9.44 | 10.18 | 10.29 | 7.33 | 7.01 |
| 2.73 | 2.85 | 4.25 | 3.49 | 3.05 | 4.01 | 2.41 |
| 2.15 | 3.03 | 2.14 | 1.04 | 1.71 | 4.48 | 2.31 |
| 1.85 | 1.38 | 2.26 | 1.74 | 4.55 | 2.36 | 1.56 |
| 1.00 | 0.59 | 0.98 | 0.88 | 0.73 | 1.55 | 0.81 |
| 7.73 | 7.85 | 9.63 | 7.15 | 10.04 | 12.40 | 7.09 |
| 18.49 | 17.09 | 19.07 | 17.33 | 20.33 | 19.73 | 14.10 |
| | | | | | | |
| 4.52 | 4.97 | 3.62 | 4.02 | 1.78 | 2.40 | 1.98 |
| 3.75 | 3.72 | 3.48 | 3.93 | 2.65 | 3.55 | 1.74 |
| 0.47 | 0.56 | 0.35 | 0.30 | 0.19 | 0.31 | 0.08 |
| 0.97 | 1.71 | 0.62 | 1.05 | 0.38 | 0.61 | 0.33 |
| 0.44 | 0.44 | 0.44 | 0.36 | 1.23 | 0.91 | 2.12 |
| 0.54 | 0.64 | 0.41 | 0.27 | 0.71 | 0.27 | 0.28 |
| 1.17 | 0.88 | 0.64 | 0.47 | 0.95 | 0.66 | 0.12 |
| 0.31 | 0.37 | 0.17 | 0.11 | 0.37 | 0.30 | 0.17 |
| 0.86 | 0.78 | 0.64 | 0.61 | 0.57 | 0.37 | 0.38 |
| 2.01 | 2.33 | 2.34 | 1.31 | 1.61 | 2.37 | 2.08 |
| 15.04 | 16.40 | 12.71 | 12.43 | 10.44 | 11.75 | 9.28 |
| | | | | | | |
| 1.35 | 1.33 | 1.09 | 1.29 | 0.71 | 1.36 | 1.63 |
| 6.07 | 6.65 | 5.04 | 6.76 | 2.87 | 4.34 | 6.60 |
| 0.79 | 0.61 | 0.51 | 0.77 | 0.83 | 1.09 | 0.66 |
| 0.34 | 0.31 | 0.42 | 0.41 | 0.09 | 0.16 | 0.13 |
| 0.49 | 0.41 | 0.53 | 0.96 | 0.19 | 0.53 | 0.51 |
| 0.46 | 0.57 | 0.32 | 0.62 | 0.11 | 0.70 | 0.89 |
| 1.10 | 0.63 | 1.21 | 1.26 | 0.64 | 0.71 | 0.59 |
| 1.63 | 0.89 | 0.77 | 1.19 | 0.31 | 1.56 | 1.70 |
| 12.23 | 11.40 | 9.89 | 13.26 | 5.75 | 10.45 | 12.71 |

REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES UP TO $1.5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Paper | 33.35 | 28.64 | 30.60 |
| Other chargeable materials | 5.42 | 5.40 | 6.06 |
| Outside services | 3.80 | 4.06 | 4.02 |
| TOTAL MATERIAL | 42.57 | 38.10 | 40.68 |
| FACTORY PAYROLL | 24.04 | 21.25 | 32.28 |
| FACTORY EXPENSES | 10.76 | 10.28 | 10.86 |
| TOTAL FACTORY COST OF PRODUCT | 77.37 | 69.63 | 83.82 |
| GROSS PROFIT | 22.63 | 30.37 | 16.18 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 7.83 | 8.82 | 7.09 |
| Selling expenses | 6.41 | 7.30 | 5.05 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 14.24 | 16.12 | 12.14 |
| INCOME BEFORE INTEREST EXPENSE | 8.39 | 14.25 | 4.04 |
| Interest expense | 1.88 | 1.84 | 1.18 |
| OPERATING INCOME | 6.51 | 12.41 | 2.86 |
| Other income (expense) | 0.82 | 1.15 | 0.85 |
| INCOME BEFORE INCOME TAXES | 7.33 | 13.56 | 3.71 |

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 2.07% | 1.57% | 0.75% |
| Film | 0.78 | 1.13 | 1.20 |
| Plates | 0.87 | 0.93 | 0.86 |
| Other chargeable materials | 1.70 | 1.77 | 3.25 |
| TOTAL OTHER CHARGEABLE MATERIALS | 5.42 | 5.40 | 6.06 |
| OUTSIDE SERVICES | | | |
| Composition | 0.40 | 0.68 | 0.00 |
| Offset preparation | 0.15 | 0.15 | 0.17 |
| Printing | 1.71 | 2.10 | 3.34 |
| Binding | 0.63 | 0.74 | 0.00 |
| Other outside services | 0.91 | 0.39 | 0.51 |
| TOTAL OUTSIDE SERVICES | 3.80 | 4.06 | 4.02 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for "Profit Leaders."

*** Information not submitted.

| SALES FROM $1.5 TO $5 MILLION | | SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 30.02 | 25.37 | 38.06 | 34.99 | 43.92 | 35.26 | 32.28 |
| 5.02 | 5.68 | 5.04 | 4.37 | 9.46 | 4.98 | 4.06 |
| 3.47 | 4.52 | 5.76 | 4.49 | 1.76 | 3.21 | 1.79 |
| 38.51 | 35.57 | 48.86 | 43.85 | 55.14 | 43.45 | 38.13 |
| 23.80 | 20.86 | 23.31 | 21.89 | 22.00 | 22.02 | 23.14 |
| 11.32 | 10.94 | 9.73 | 9.73 | 9.10 | 10.88 | 8.03 |
| 73.63 | 67.37 | 81.90 | 75.47 | 86.24 | 76.35 | 69.30 |
| 26.37 | 32.63 | 18.10 | 24.53 | 13.76 | 23.65 | 30.70 |
| 9.16 | 10.31 | 6.47 | 7.04 | 4.56 | 7.06 | 6.09 |
| 7.74 | 7.48 | 5.12 | 7.50 | 2.44 | 6.23 | 7.92 |
| 16.90 | 17.79 | 11.59 | 14.54 | 7.00 | 13.29 | 14.01 |
| 9.47 | 14.84 | 6.51 | 9.99 | 6.76 | 10.36 | 16.69 |
| 1.96 | 1.49 | 1.82 | 1.77 | 3.24 | 1.51 | 2.31 |
| 7.51 | 13.35 | 4.69 | 8.22 | 3.52 | 8.85 | 14.38 |
| 1.08 | 1.56 | 0.73 | 0.85 | 0.57 | 0.21 | (0.47) |
| 8.59 | 14.91 | 5.42 | 9.07 | 4.09 | 9.06 | 13.91 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1.21% | 1.37% | 2.25% | 0.98% | 5.82% | 3.48% | 2.86% |
| 1.03 | 1.38 | 0.63 | 0.84 | 0.59 | 0.14 | 0.28 |
| 0.78 | 0.81 | 0.90 | 0.94 | 1.20 | 0.90 | 0.92 |
| 2.00 | 2.12 | 1.26 | 1.61 | 1.85 | 0.46 | 0.00 |
| 5.02 | 5.68 | 5.04 | 4.37 | 9.46 | 4.98 | 4.06 |
| 0.77 | 1.03 | 0.27 | 0.34 | | 0.00 | 0.00 |
| 0.12 | 0.16 | 0.05 | 0.09 | | 0.35 | 0.20 |
| 1.91 | 2.74 | 1.87 | 2.00 | | 0.47 | 0.00 |
| 0.29 | 0.39 | 1.27 | 0.92 | | 1.29 | 1.59 |
| 0.38 | 0.20 | 2.30 | 1.14 | | 1.10 | 0.00 |
| 3.47 | 4.52 | 5.76 | 4.49 | *** | 3.21 | 1.79 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES UP TO $1.5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 1.65% | 1.55% | 0.96% |
| Direct wages | 15.32 | 13.62 | 23.41 |
| General factory salaries and wages | 2.71 | 2.03 | 4.02 |
| Packing, shipping and delivery wages | 1.06 | 0.83 | 1.06 |
| Payroll taxes | 1.38 | 1.16 | 1.99 |
| Employee benefits | 1.92 | 2.06 | 0.84 |
| TOTAL FACTORY PAYROLL | 24.04 | 21.25 | 32.28 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.33 | 0.13 | 0.09 |
| Depreciation - other | 2.41 | 2.37 | 3.07 |
| Taxes - real estate | 0.18 | 0.18 | 0.05 |
| Taxes - other | 0.16 | 0.13 | 0.42 |
| Insurance | 0.32 | 0.25 | 0.45 |
| Building rent | 1.20 | 1.53 | 1.56 |
| Utilities - heat, light, etc. | 0.87 | 0.73 | 0.69 |
| Equipment rental | 0.24 | 0.20 | 0.75 |
| Total Fixed Expenses | 5.71 | 5.52 | 7.08 |
| Other Expenses | | | |
| Factory supplies and expense | 1.78 | 1.72 | 1.22 |
| Packing, shipping and delivery expense | 1.43 | 1.63 | 0.88 |
| Repairs and maintenance | 1.23 | 0.92 | 1.54 |
| Other factory expenses | 0.61 | 0.49 | 0.14 |
| Total Other Expenses | 5.05 | 4.76 | 3.78 |
| TOTAL FACTORY EXPENSES | 10.76 | 10.28 | 10.86 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 2.19 | 2.51 | 2.43 |
| Salaries - office | 2.05 | 2.04 | 1.74 |
| Payroll taxes | 0.25 | 0.26 | 0.45 |
| Employee benefits | 0.45 | 0.80 | 0.34 |
| Bad debts | 0.34 | 0.49 | 0.34 |
| Office supplies and expenses | 0.28 | 0.31 | 0.36 |
| Professional fees | 0.55 | 0.43 | 0.53 |
| Taxes - business | 0.15 | 0.18 | 0.10 |
| Telephone | 0.40 | 0.42 | 0.37 |
| Other administrative expenses | 1.17 | 1.38 | 0.43 |
| TOTAL ADMINISTRATIVE EXPENSES | 7.83 | 8.82 | 7.09 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.86 | 0.81 | 2.15 |
| Salaries and commissions - salesmen | 2.93 | 4.10 | 0.06 |
| Salaries - sales office clerical | 0.42 | 0.40 | 0.00 |
| Payroll taxes | 0.19 | 0.18 | 0.29 |
| Employee benefits | 0.27 | 0.30 | 0.18 |
| Advertising | 0.27 | 0.41 | 0.10 |
| Travel and entertainment | 0.60 | 0.45 | 0.67 |
| Other selling expenses | 0.87 | 0.65 | 1.60 |
| TOTAL SELLING EXPENSES | 6.41 | 7.30 | 5.05 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $1.5 TO $5 MILLION | | SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 1.80% | 1.46% | 1.95% | 1.47% | 1.60% | 1.22% | 1.73% |
| 14.74 | 13.85 | 15.31 | 12.46 | 14.99 | 12.84 | 14.39 |
| 2.84 | 1.83 | 1.89 | 2.77 | 1.47 | 3.14 | 2.21 |
| 1.03 | 0.92 | 1.08 | 0.99 | 1.53 | 0.91 | 0.33 |
| 1.56 | 1.38 | 1.14 | 1.12 | 0.95 | 0.94 | 0.71 |
| 1.83 | 1.42 | 1.94 | 3.08 | 1.46 | 2.97 | 3.77 |
| 23.80 | 20.86 | 23.31 | 21.89 | 22.00 | 22.02 | 23.14 |
| 0.39 | 0.15 | 0.20 | 0.06 | 0.70 | 0.26 | 0.14 |
| 2.68 | 2.52 | 2.05 | 2.11 | 2.05 | 1.73 | 1.77 |
| 0.17 | 0.12 | 0.25 | 0.21 | 0.15 | 0.23 | 0.36 |
| 0.13 | 0.16 | 0.15 | 0.17 | 0.02 | 0.18 | 0.00 |
| 0.40 | 0.30 | 0.26 | 0.31 | 0.21 | 0.11 | 0.05 |
| 1.59 | 1.70 | 0.93 | 1.63 | 0.72 | 0.31 | 0.74 |
| 0.89 | 0.66 | 0.92 | 1.05 | 0.71 | 0.95 | 0.69 |
| 0.24 | 0.21 | 0.14 | 0.17 | 0.06 | 0.16 | 0.24 |
| 6.49 | 5.82 | 4.90 | 5.71 | 4.62 | 3.93 | 3.99 |
| 1.67 | 1.83 | 2.15 | 1.97 | 1.31 | 2.13 | 1.43 |
| 1.35 | 1.96 | 1.05 | 0.59 | 0.84 | 2.72 | 1.17 |
| 1.12 | 0.89 | 1.13 | 0.97 | 2.00 | 1.20 | 0.85 |
| 0.69 | 0.44 | 0.50 | 0.49 | 0.33 | 0.90 | 0.59 |
| 4.83 | 5.12 | 4.83 | 4.02 | 4.48 | 6.95 | 4.04 |
| 11.32 | 10.94 | 9.73 | 9.73 | 9.10 | 10.88 | 8.03 |
| 2.75 | 3.12 | 1.83 | 2.32 | 0.78 | 1.23 | 1.15 |
| 2.25 | 2.28 | 1.80 | 2.22 | 1.17 | 2.27 | 1.13 |
| 0.28 | 0.36 | 0.18 | 0.17 | 0.09 | 0.19 | 0.07 |
| 0.58 | 1.03 | 0.32 | 0.59 | 0.18 | 0.38 | 0.26 |
| 0.27 | 0.28 | 0.22 | 0.20 | 0.46 | 0.69 | 1.71 |
| 0.33 | 0.40 | 0.21 | 0.15 | 0.31 | 0.15 | 0.15 |
| 0.70 | 0.55 | 0.32 | 0.26 | 0.41 | 0.43 | 0.09 |
| 0.19 | 0.23 | 0.08 | 0.06 | 0.17 | 0.16 | 0.08 |
| 0.52 | 0.50 | 0.32 | 0.35 | 0.25 | 0.21 | 0.20 |
| 1.29 | 1.56 | 1.19 | 0.72 | 0.74 | 1.35 | 1.25 |
| 9.16 | 10.31 | 6.47 | 7.04 | 4.56 | 7.06 | 6.09 |
| 0.86 | 0.84 | 0.56 | 0.72 | 0.30 | 0.78 | 0.89 |
| 3.89 | 4.41 | 2.62 | 3.85 | 1.22 | 2.53 | 4.04 |
| 0.49 | 0.40 | 0.25 | 0.41 | 0.33 | 0.64 | 0.37 |
| 0.21 | 0.20 | 0.22 | 0.23 | 0.04 | 0.09 | 0.09 |
| 0.30 | 0.25 | 0.28 | 0.54 | 0.08 | 0.31 | 0.30 |
| 0.29 | 0.38 | 0.17 | 0.36 | 0.04 | 0.53 | 0.73 |
| 0.68 | 0.41 | 0.63 | 0.72 | 0.30 | 0.42 | 0.43 |
| 1.02 | 0.59 | 0.39 | 0.67 | 0.13 | 0.93 | 1.07 |
| 7.74 | 7.48 | 5.12 | 7.50 | 2.44 | 6.23 | 7.92 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES UP TO $1.5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash | 6.33% | 10.00% | 3.77% |
| Receivables | 31.01 | 31.46 | 29.64 |
| Inventories | 17.42 | 17.54 | 11.81 |
| Other current assets | 3.88 | 4.74 | 1.67 |
| TOTAL CURRENT ASSETS | 58.64 | 63.74 | 46.89 |
| FIXED ASSETS | | | |
| Real estate | 11.55 | 9.20 | 9.53 |
| Less: Accumulated depreciation | 3.09 | 1.03 | 3.85 |
| | 8.46 | 8.17 | 5.68 |
| Machinery and equipment | 52.33 | 45.85 | 63.73 |
| Less: Accumulated depreciation | 27.70 | 24.74 | 34.43 |
| | 24.63 | 21.11 | 29.30 |
| Other fixed assets | 6.60 | 6.98 | 13.88 |
| Less: Accumulated depreciation | 2.78 | 3.12 | 3.00 |
| | 3.82 | 3.86 | 10.88 |
| NET FIXED ASSETS | 36.91 | 33.14 | 45.86 |
| OTHER ASSETS | 4.45 | 3.12 | 7.25 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| **LIABILITIES AND EQUITY** | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 8.47 | 6.44 | 17.54 |
| Accounts payable | 14.55 | 9.87 | 18.39 |
| Other current liabilities | 9.31 | 11.38 | 6.56 |
| TOTAL CURRENT LIABILITIES | 32.33 | 27.69 | 42.49 |
| LONG-TERM LIABILITIES | 22.81 | 17.50 | 19.12 |
| TOTAL LIABILITIES | 55.14 | 45.19 | 61.61 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 44.86 | 54.81 | 38.39 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.81 | 2.30 | 1.10 |
| QUICK RATIO | 1.27 | 1.67 | 0.83 |
| TOTAL LIABILITIES TO EQUITY | 1.23 | 0.82 | 1.60 |
| LONG-TERM LIABILITIES TO EQUITY | 0.51 | 0.32 | 0.50 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.53 | 0.54 | 0.54 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $1.5 TO $5 MILLION | | SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 8.85% | 14.37% | 5.74% | 5.76% | 2.56% | 2.02% | 0.10% |
| 27.41 | 26.81 | 34.70 | 34.74 | 47.47 | 31.53 | 45.20 |
| 17.70 | 16.53 | 18.97 | 16.93 | 10.25 | 20.92 | 22.87 |
| 4.46 | 6.67 | 2.50 | 2.19 | 1.59 | 5.95 | 1.52 |
| 58.42 | 64.38 | 61.91 | 59.62 | 61.87 | 60.42 | 69.69 |
| 10.24 | 10.62 | 12.43 | 2.52 | 5.13 | 18.66 | 13.24 |
| 2.06 | 1.11 | 3.54 | 0.44 | 1.17 | 6.33 | 1.60 |
| 8.18 | 9.51 | 8.89 | 2.08 | 3.96 | 12.33 | 11.64 |
| 56.31 | 46.52 | 49.24 | 55.29 | 42.75 | 41.25 | 32.49 |
| 29.94 | 27.24 | 26.38 | 26.53 | 17.66 | 22.81 | 17.03 |
| 26.37 | 19.28 | 22.86 | 28.76 | 25.09 | 18.44 | 15.46 |
| 6.11 | 7.31 | 6.90 | 7.37 | 3.20 | 5.32 | 5.69 |
| 2.54 | 2.98 | 4.00 | 4.30 | 1.45 | 2.55 | 2.89 |
| 3.57 | 4.33 | 2.90 | 3.07 | 1.75 | 2.77 | 2.80 |
| 38.12 | 33.12 | 34.65 | 33.91 | 30.80 | 33.54 | 29.90 |
| 3.46 | 2.50 | 3.44 | 6.47 | 7.33 | 6.04 | 0.41 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 6.66 | 4.76 | 9.55 | 2.73 | 9.02 | 7.73 | 14.20 |
| 11.24 | 9.47 | 19.34 | 10.70 | 25.15 | 12.47 | 9.42 |
| 8.63 | 10.45 | 7.48 | 11.09 | 19.10 | 10.92 | 16.16 |
| 26.53 | 24.68 | 36.37 | 24.52 | 53.27 | 31.12 | 39.78 |
| 26.75 | 17.42 | 14.64 | 14.09 | 26.52 | 20.48 | 14.86 |
| 53.28 | 42.10 | 51.01 | 38.61 | 79.79 | 51.60 | 54.64 |
| 46.72 | 57.90 | 48.99 | 61.39 | 20.21 | 48.40 | 45.36 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 2.20 | 2.61 | 1.70 | 2.43 | 1.16 | 1.94 | 1.75 |
| 1.53 | 1.94 | 1.18 | 1.74 | 0.97 | 1.27 | 1.18 |
| 1.14 | 0.73 | 1.04 | 0.63 | 3.95 | 1.07 | 1.20 |
| 0.57 | 0.30 | 0.30 | 0.23 | 1.31 | 0.42 | 0.33 |
| 0.53 | 0.59 | 0.54 | 0.48 | 0.41 | 0.55 | 0.52 |

SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES UP TO $1.5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 37,495 | $ 44,052 | $ 20,588 |
| Average assets per factory employee (Excluding Executives) | 57,060 | 67,434 | 26,685 |
| Average net worth per employee - All employees | 17,020 | 23,601 | 8,799 |
| Average gross plant investment per factory employee (Excluding Executives) | 39,400 | 40,004 | 22,011 |
| Net worth percentage of fixed assets | 177.78% | 263.10% | 237.45% |
| EMPLOYEES | | | |
| Percent factory - All employees | 77.81% | 73.37% | 80.80% |
| Percent administrative - All employees | 12.37 | 14.09 | 15.06 |
| Percent sales - All employees | 9.82 | 12.54 | 4.14 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 70,346 | $ 79,838 | $ 47,788 |
| Sales per factory employee | 93,779 | 114,011 | 60,215 |
| Sales less material per factory employee | 53,825 | 70,875 | 35,462 |
| Sales per administrative employee | 689,815 | 769,479 | 339,170 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 78,358 | 87,727 | 55,214 |
| Sales per factory employee | 106,842 | 122,129 | 61,726 |
| Sales less material per factory employee | 61,754 | 76,511 | 36,408 |
| SALES PER SALESMAN | 966,713 | 578,585 | 217,034 |
| SALES TO CURRENT ASSETS | 388% | 327% | 604% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 33.64% | 32.66% | 39.92% |
| Factory payroll percentage of gross plant investment | 81.21 | 81.16 | 96.40 |
| Payroll per employee - All employees | $ 22,834 | $ 25,899 | $ 18,711 |
| Payroll per factory employee | 21,075 | 23,402 | 18,608 |
| Payroll per administrative employee | 28,082 | 31,979 | 16,824 |
| Payroll per sales employee | 33,105 | 38,349 | 16,686 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 18,370 | $ 19,772 | $ 16,391 |
| Payroll per factory employee | 18,784 | 19,196 | 17,014 |
| Payroll per administrative employee | 15,061 | 14,795 | 10,523 |
| Payroll per sales employee | 25,762 | 29,666 | 2,342 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 41,567 | 49,793 | 22,017 |
| Payroll per factory executive | 29,038 | 30,720 | 15,826 |
| Payroll per administrative executive | 50,779 | 59,777 | 18,785 |
| Payroll per sales executive | 35,241 | 39,599 | 14,486 |
| RECEIVABLES | | | |
| Collection period | 57.1 | 61.7 | 48.8 |
| PROFIT | | | |
| Gross profit percentage of sales | 22.63% | 30.37% | 16.18% |
| Average gross profit per factory employee | $ 26,005 | $ 38,948 | $ 10,674 |
| Income before taxes percentage of sales | 7.33% | 13.56% | 3.71% |
| Average income before taxes per employee | $ 5,518 | $ 10,833 | $ 1,819 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $1.5 TO $5 MILLION | | SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 33,971 | $ 41,077 | $ 31,283 | $ 37,523 | $ 65,858 | $ 53,227 | $ 49,124 |
| 58,765 | 63,666 | 42,159 | 55,153 | 79,869 | 76,519 | 82,472 |
| 16,336 | 24,247 | 16,402 | 23,043 | 15,754 | 25,111 | 22,074 |
| 43,994 | 40,098 | 29,235 | 34,892 | 42,236 | 45,421 | 38,938 |
| 187.32% | 296.01% | 154.20% | 213.22% | 83.32% | 184.65% | 247.55% |
| 75.23% | 72.57% | 82.30% | 75.01% | 86.29% | 75.20% | 71.10% |
| 12.73 | 14.54 | 10.15 | 12.81 | 9.25 | 13.83 | 15.07 |
| 12.04 | 12.89 | 7.55 | 12.18 | 4.46 | 10.97 | 13.83 |
| $ 63,833 | $ 73,946 | $ 73,689 | $ 80,553 | $ 96,974 | $ 87,947 | $ 96,652 |
| 89,142 | 108,040 | 91,318 | 109,304 | 112,271 | 122,161 | 142,122 |
| 54,982 | 68,916 | 46,674 | 61,509 | 50,909 | 70,334 | 92,886 |
| 576,236 | 643,120 | 845,884 | 688,038 | 1,058,314 | 896,065 | 1,276,129 |
| 72,855 | 81,544 | 80,628 | 86,772 | 103,086 | 95,181 | 108,125 |
| 108,762 | 113,493 | 97,810 | 115,569 | 117,307 | 132,106 | 163,435 |
| 66,890 | 72,470 | 49,958 | 65,071 | 53,129 | 77,533 | 109,806 |
| 306,237 | 308,509 | 958,085 | 793,513 | 2,751,262 | 2,159,505 | 6,323 |
| 375% | 329% | 408% | 376% | 272% | 336% | 301% |
| 35.43% | 33.74% | 31.36% | 32.95% | 26.20% | 30.46% | 31.47% |
| 77.67 | 75.17 | 88.16 | 77.67 | 78.40 | 76.96 | 122.73 |
| $ 22,220 | $ 24,737 | $ 22,969 | $ 26,617 | $ 25,475 | $ 25,766 | $ 31,164 |
| 19,589 | 20,586 | 20,694 | 23,641 | 24,816 | 26,035 | 35,184 |
| 30,338 | 34,667 | 31,343 | 34,335 | 23,442 | 25,148 | 23,353 |
| 28,557 | 34,735 | 43,231 | 41,646 | 41,634 | 40,716 | 49,093 |
| $ 17,786 | $ 18,609 | $ 18,058 | $ 19,734 | $ 21,382 | $ 20,396 | $ 24,935 |
| 18,596 | 17,126 | 17,086 | 18,269 | 21,161 | 21,395 | 28,869 |
| 15,172 | 14,595 | 17,537 | 17,061 | 14,926 | 14,259 | 13,084 |
| 22,480 | 24,969 | 34,323 | 32,800 | 36,738 | 34,010 | 44,260 |
| 42,865 | 49,826 | 40,174 | 51,919 | 43,309 | 49,176 | 46,757 |
| 26,406 | 26,769 | 28,789 | 37,650 | 38,455 | 40,978 | 32,882 |
| 53,342 | 58,902 | 57,857 | 62,989 | 41,665 | 55,698 | 68,198 |
| 28,621 | 27,682 | 43,567 | 59,799 | 40,672 | 55,513 | 54,370 |
| 49.5 | 51.0 | 52.8 | 59.6 | 117.7 | 64.6 | 88.7 |
| 26.37% | 32.63% | 18.10% | 24.53% | 13.76% | 23.65% | 30.70% |
| $ 30,097 | $ 38,792 | $ 18,454 | $ 28,715 | $ 16,372 | $ 34,847 | $ 54,737 |
| 8.59% | 14.91% | 5.42% | 9.07% | 4.09% | 9.06% | 13.91% |
| $ 6,002 | $ 11.116 | $ 4,294 | $ 7,328 | $ 4,000 | $ 8,181 | $ 13,673 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES UP TO $1.5 MILLION** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 3.07 | $ 5.62 | $ 1.89 |
| Receivables | 15.26 | 16.21 | 13.19 |
| Inventories | 8.71 | 8.89 | 5.07 |
| Marketable securities | 0.55 | 0.88 | 0.24 |
| Other current assets | 1.83 | 1.22 | 0.44 |
| | 29.42 | 32.82 | 20.83 |
| Plant Investment: | | | |
| Land and building | 6.71 | 6.02 | 5.88 |
| Machinery and equipment | 26.44 | 23.92 | 26.36 |
| Other fixed assets | 3.39 | 3.84 | 7.44 |
| | 36.54 | 33.78 | 39.68 |
| Non-Current Assets | 2.60 | 1.85 | 2.88 |
| TOTAL INVESTMENT | 68.56 | 68.45 | 63.39 |
| INVESTMENT TURNOVER PER $100 OF SALES | 145.86% | 146.09% | 157.75% |
| EARNINGS | | | |
| Cost of Product | $77.37 | $69.63 | $83.82 |
| Selling Expenses | 6.41 | 7.30 | 5.05 |
| Administrative Expenses | 7.83 | 8.82 | 7.09 |
| | 91.61 | 85.75 | 95.96 |
| Income Before Interest, Other Income (Expense), and Taxes | 8.39 | 14.25 | 4.04 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 12.24% | 20.82% | 6.37% |

** Sample insufficient for "Profit Leaders."

| SALES FROM $1.5 TO $5 MILLION | | SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION** | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 4.67 | $ 8.44 | $ 2.13 | $ 1.81 | $ 1.98 | $ 0.22 | $ 0.05 |
| 13.25 | 13.41 | 14.20 | 15.95 | 31.51 | 16.90 | 22.65 |
| 8.61 | 7.95 | 8.19 | 7.97 | 7.19 | 12.36 | 12.09 |
| 0.81 | 1.39 | 0.43 | 0.00 | 0.53 | 0.07 | 0.00 |
| 1.31 | 1.55 | 0.70 | 1.14 | 0.51 | 6.27 | 0.72 |
| 28.65 | 32.74 | 25.65 | 26.87 | 41.72 | 35.82 | 35.51 |
| 6.62 | 7.50 | 5.19 | 1.28 | 3.42 | 10.78 | 6.82 |
| 28.22 | 23.66 | 21.75 | 25.69 | 28.66 | 25.50 | 17.07 |
| 3.19 | 4.18 | 2.95 | 3.17 | 2.25 | 2.85 | 2.79 |
| 38.03 | 35.34 | 29.89 | 30.14 | 34.33 | 39.13 | 26.68 |
| 2.00 | 1.38 | 1.65 | 3.62 | 4.87 | 4.46 | 0.19 |
| 68.68 | 69.46 | 57.19 | 60.63 | 80.92 | 79.41 | 62.38 |
| 145.60% | 143.97% | 174.86% | 164.93% | 123.58% | 125.93% | 160.31% |
| $73.63 | $67.37 | $81.90 | $75.47 | $86.24 | $76.35 | $69.30 |
| 7.74 | 7.48 | 5.12 | 7.50 | 2.44 | 6.23 | 7.92 |
| 9.16 | 10.31 | 6.47 | 7.04 | 4.56 | 7.06 | 6.09 |
| 90.53 | 85.16 | 93.49 | 90.01 | 93.24 | 89.64 | 83.31 |
| 9.47 | 14.84 | 6.51 | 9.99 | 6.76 | 10.36 | 16.69 |
| 13.79% | 21.37% | 11.38% | 16.48% | 8.35% | 13.05% | 26.76% |

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 42.34 | 36.44 | 55.40 |
| FACTORY EXPENSES | 20.33 | 19.35 | 15.30 |
| TOTAL FACTORY COST OF PRODUCT | 62.67 | 55.79 | 70.70 |
| GROSS PROFIT | 37.33 | 44.21 | 29.30 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 13.66 | 14.03 | 12.34 |
| Selling expenses | 9.06 | 6.54 | 7.09 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 22.72 | 20.57 | 19.43 |
| INCOME BEFORE INTEREST EXPENSE | 14.61 | 23.64 | 9.87 |
| Interest expense | 4.14 | 4.62 | 1.10 |
| OPERATING INCOME | 10.47 | 19.02 | 8.77 |
| Other income (expense) | 2.20 | 4.49 | 0.37 |
| INCOME BEFORE INCOME TAXES | 12.67 | 23.51 | 9.14 |

* "All Firms" are the same as "Profit Leaders."
** Sample insufficient for Profit Leaders.

| NEWSPAPER** | FINANCIAL* | BOOK | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X |
| X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% |
| 51.26 | 42.11 | 43.56 | 41.65 |
| 19.95 | 12.21 | 19.56 | 16.18 |
| 71.21 | 54.32 | 63.12 | 57.83 |
| 28.79 | 45.68 | 36.88 | 42.17 |
| 13.64 | 11.94 | 13.88 | 14.21 |
| 4.62 | 9.72 | 8.68 | 8.41 |
| 18.26 | 21.66 | 22.56 | 22.62 |
| 10.53 | 24.02 | 14.32 | 19.55 |
| 3.49 | 2.95 | 5.59 | 3.61 |
| 7.04 | 21.07 | 8.73 | 15.94 |
| 1.42 | (0.33) | 1.25 | 1.02 |
| 8.46 | 20.74 | 9.98 | 16.96 |

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL** |
|---|---|---|---|
| FACTORY PAYROLL | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| Salaries - executive | 3.26% | 2.67% | 3.23% |
| Direct wages | 28.20 | 27.11 | 34.72 |
| General factory salaries and wages | 3.64 | 2.08 | 4.51 |
| Packing, shipping and delivery wages | 1.97 | 0.84 | 4.49 |
| Payroll taxes | 2.27 | 1.36 | 2.81 |
| Employee benefits | 3.00 | 2.38 | 5.64 |
| TOTAL FACTORY PAYROLL | 42.34 | 36.44 | 55.40 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.92 | 0.35 | 0.77 |
| Depreciation - other | 4.69 | 5.14 | 2.64 |
| Taxes - real estate | 0.29 | 0.33 | 0.52 |
| Taxes - other | 0.15 | 0.07 | 0.40 |
| Insurance | 0.77 | 0.49 | 0.17 |
| Building rent | 2.38 | 3.76 | 0.66 |
| Utilities - heat, light, etc. | 1.58 | 1.42 | 2.15 |
| Equipment rental | 0.53 | 0.29 | 0.10 |
| Total Fixed Expenses | 11.31 | 11.85 | 7.41 |
| Other Expenses | | | |
| Factory supplies and expense | 2.89 | 3.33 | 4.34 |
| Packing, shipping and delivery expense | 2.07 | 1.96 | 0.88 |
| Repairs and maintenance | 2.70 | 1.61 | 1.24 |
| Other factory expenses | 1.36 | 0.60 | 1.43 |
| Total Other Expenses | 9.02 | 7.50 | 7.89 |
| TOTAL FACTORY EXPENSES | 20.33 | 19.35 | 15.30 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 4.28 | 3.70 | 3.76 |
| Salaries - office | 3.06 | 2.97 | 3.72 |
| Payroll taxes | 0.42 | 0.54 | 0.37 |
| Employee benefits | 0.73 | 1.37 | 0.76 |
| Bad debts | 0.65 | 0.28 | 0.72 |
| Office supplies and expenses | 0.57 | 0.81 | 0.17 |
| Professional fees | 0.73 | 0.74 | 0.50 |
| Taxes - business | 0.29 | 0.47 | 0.16 |
| Telephone | 0.76 | 0.60 | 0.79 |
| Other administrative expenses | 2.17 | 2.55 | 1.39 |
| TOTAL ADMINISTRATIVE EXPENSES | 13.66 | 14.03 | 12.34 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.29 | 0.80 | 0.65 |
| Salaries and commissions - salesmen | 4.30 | 3.33 | 2.40 |
| Salaries - sales office clerical | 0.56 | 0.50 | 2.08 |
| Payroll taxes | 0.25 | 0.24 | 0.25 |
| Employee benefits | 0.37 | 0.25 | 0.56 |
| Advertising | 0.29 | 0.30 | 0.18 |
| Travel and entertainment | 1.31 | 0.74 | 0.80 |
| Other selling expenses | 0.69 | 0.38 | 0.17 |
| TOTAL SELLING EXPENSES | 9.06 | 6.54 | 7.09 |

* "All Firms" are the same as "Profit Leaders."

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL* | BOOK | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 1.90% | 2.15% | 3.07% | 2.45% |
| 38.00 | 24.37 | 28.81 | 25.89 |
| 2.30 | 6.46 | 2.93 | 4.06 |
| 2.98 | 0.47 | 2.30 | 2.97 |
| 3.07 | 2.61 | 2.71 | 2.12 |
| 3.01 | 6.05 | 3.74 | 4.16 |
| 51.26 | 42.11 | 43.56 | 41.65 |
| 1.02 | 0.00 | 0.14 | 0.12 |
| 4.74 | 2.79 | 3.27 | 2.69 |
| 0.17 | 0.00 | 0.50 | 0.38 |
| 0.34 | 0.48 | 0.63 | 0.53 |
| 0.60 | 0.26 | 0.43 | 0.48 |
| 0.99 | 1.53 | 1.88 | 2.22 |
| 1.42 | 0.68 | 1.67 | 1.41 |
| 0.34 | 0.76 | 0.50 | 0.67 |
| 9.62 | 6.50 | 9.02 | 8.50 |
| 3.43 | 1.98 | 4.81 | 3.77 |
| 3.28 | 0.30 | 1.58 | 1.38 |
| 3.34 | 1.23 | 2.45 | 1.59 |
| 0.28 | 2.20 | 1.70 | 0.94 |
| 10.33 | 5.71 | 10.54 | 7.68 |
| 19.95 | 12.21 | 19.56 | 16.18 |
| 3.57 | 1.92 | 3.96 | 4.66 |
| 3.82 | 1.11 | 3.32 | 3.80 |
| 0.56 | 0.28 | 0.37 | 0.37 |
| 0.78 | 0.46 | 0.63 | 0.85 |
| 0.69 | 2.87 | 0.42 | 0.39 |
| 0.53 | 0.25 | 0.54 | 0.34 |
| 1.28 | 0.14 | 0.68 | 0.81 |
| 0.44 | 0.00 | 0.06 | 0.12 |
| 0.62 | 0.69 | 0.64 | 0.63 |
| 1.35 | 4.22 | 3.26 | 2.24 |
| 13.64 | 11.94 | 13.88 | 14.21 |
| 1.10 | 0.30 | 0.94 | 1.72 |
| 1.18 | 5.98 | 4.26 | 2.90 |
| 0.32 | 0.16 | 0.60 | 0.94 |
| 0.15 | 0.18 | 0.31 | 0.23 |
| 0.26 | 0.23 | 0.46 | 0.63 |
| 0.47 | 1.19 | 0.48 | 0.62 |
| 0.62 | 0.80 | 0.92 | 0.78 |
| 0.52 | 0.88 | 0.71 | 0.59 |
| 4.62 | 9.72 | 8.68 | 8.41 |

## REPORT ON OPERATIONS - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Paper | 35.02 | 33.59 | 30.61 |
| Other chargeable materials | 6.51 | 7.08 | 4.51 |
| Outside services | 3.33 | 3.00 | 8.42 |
| TOTAL MATERIAL | 44.86 | 43.67 | 43.54 |
| FACTORY PAYROLL | 23.20 | 20.34 | 31.38 |
| FACTORY EXPENSES | 11.15 | 10.82 | 8.73 |
| TOTAL FACTORY COST OF PRODUCT | 79.21 | 74.83 | 83.65 |
| GROSS PROFIT | 20.79 | 25.17 | 16.35 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 7.68 | 8.36 | 7.04 |
| Selling expenses | 5.22 | 3.83 | 3.83 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 12.90 | 12.19 | 10.87 |
| INCOME BEFORE INTEREST EXPENSE | 7.89 | 12.98 | 5.48 |
| Interest expense | 2.30 | 2.40 | 0.64 |
| OPERATING INCOME | 5.59 | 10.58 | 4.84 |
| Other income (expense) | 1.25 | 2.58 | 0.16 |
| INCOME BEFORE INCOME TAXES | 6.84 | 13.16 | 5.00 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 3.24% | 4.09% | 2.49% |
| Film | 0.72 | 1.04 | 0.86 |
| Plates | 1.05 | 1.46 | 1.03 |
| Other chargeable materials | 1.50 | 0.49 | 0.13 |
| TOTAL OTHER CHARGEABLE MATERIALS | 6.51 | 7.08 | 4.51 |
| OUTSIDE SERVICES | | | |
| Composition | 0.00 | 0.00 | 0.09 |
| Offset preparation | 0.14 | 0.29 | 0.85 |
| Printing | 0.08 | 0.00 | 1.69 |
| Binding | 1.65 | 2.71 | 1.85 |
| Other outside services | 1.46 | 0.00 | 3.94 |
| TOTAL OUTSIDE SERVICES | 3.33 | 3.00 | 8.42 |

* "All Firms" are the same as "Profit Leaders."

** Sample insufficient for "Profit Leaders."

*** Information not submitted.

| NEWSPAPER** | FINANCIAL* | BOOK | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% |
| | | | |
| 37.82 | 11.46 | 36.98 | 32.24 |
| 6.21 | 0.00 | 3.10 | 4.27 |
| 1.92 | 7.51 | 5.89 | 4.47 |
| 45.95 | 18.97 | 45.97 | 40.98 |
| 27.35 | 34.18 | 23.70 | 24.59 |
| 11.07 | 9.69 | 10.33 | 9.53 |
| 84.37 | 62.84 | 80.00 | 75.10 |
| 15.63 | 37.16 | 20.00 | 24.90 |
| | | | |
| 7.67 | 9.68 | 7.59 | 8.54 |
| 2.68 | 8.04 | 4.63 | 4.88 |
| 10.35 | 17.72 | 12.22 | 13.42 |
| 5.28 | 19.44 | 7.78 | 11.48 |
| 1.67 | 2.28 | 2.86 | 1.97 |
| 3.61 | 17.16 | 4.92 | 9.51 |
| 0.86 | (0.34) | 0.66 | 0.59 |
| 4.47 | 16.82 | 5.58 | 10.10 |

| | | | |
|---|---|---|---|
| 2.96% | 0.00% | 0.83% | 0.89% |
| 1.03 | 0.00 | 0.83 | 1.12 |
| 1.11 | 0.00 | 0.84 | 1.08 |
| 1.11 | 0.00 | 0.60 | 1.18 |
| 6.21 | 0.00 | 3.10 | 4.27 |
| | | | |
| 0.00 | | 2.14 | 1.63 |
| 0.40 | | 0.12 | 0.09 |
| 0.64 | | 0.90 | 0.68 |
| 0.33 | | 1.21 | 0.92 |
| 0.55 | | 1.52 | 1.15 |
| 1.92 | *** | 5.89 | 4.47 |

SUPPORTING SCHEDULES - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL** |
|---|---|---|---|
| FACTORY PAYROLL | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| Salaries - executive | 1.68% | 1.52% | 1.98% |
| Direct wages | 15.45 | 15.14 | 19.49 |
| General factory salaries and wages | 2.10 | 1.08 | 2.67 |
| Packing, shipping and delivery wages | 1.06 | 0.47 | 2.13 |
| Payroll taxes | 1.26 | 0.83 | 1.69 |
| Employee benefits | 1.65 | 1.30 | 3.42 |
| TOTAL FACTORY PAYROLL | 23.20 | 20.34 | 31.38 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.58 | 0.19 | 0.46 |
| Depreciation - other | 2.49 | 2.84 | 1.56 |
| Taxes - real estate | 0.16 | 0.17 | 0.28 |
| Taxes - other | 0.08 | 0.04 | 0.25 |
| Insurance | 0.44 | 0.30 | 0.10 |
| Building rent | 1.34 | 2.16 | 0.41 |
| Utilities - heat, light, etc. | 0.84 | 0.80 | 1.28 |
| Equipment rental | 0.29 | 0.19 | 0.06 |
| Total Fixed Expenses | 6.22 | 6.69 | 4.40 |
| Other Expenses | | | |
| Factory supplies and expense | 1.53 | 1.89 | 2.39 |
| Packing, shipping and delivery expense | 1.09 | 1.05 | 0.46 |
| Repairs and maintenance | 1.45 | 0.88 | 0.65 |
| Other factory expenses | 0.86 | 0.31 | 0.83 |
| Total Other Expenses | 4.93 | 4.13 | 4.33 |
| TOTAL FACTORY EXPENSES | 11.15 | 10.82 | 8.73 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 2.44 | 2.29 | 2.20 |
| Salaries - office | 1.73 | 1.71 | 1.97 |
| Payroll taxes | 0.24 | 0.34 | 0.22 |
| Employee benefits | 0.43 | 0.86 | 0.45 |
| Bad debts | 0.31 | 0.14 | 0.40 |
| Office supplies and expenses | 0.32 | 0.49 | 0.10 |
| Professional fees | 0.39 | 0.44 | 0.29 |
| Taxes - business | 0.16 | 0.27 | 0.08 |
| Telephone | 0.42 | 0.35 | 0.45 |
| Other administrative expenses | 1.24 | 1.47 | 0.88 |
| TOTAL ADMINISTRATIVE EXPENSES | 7.68 | 8.36 | 7.04 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.75 | 0.42 | 0.33 |
| Salaries and commissions - salesmen | 2.49 | 1.98 | 1.18 |
| Salaries - sales office clerical | 0.30 | 0.28 | 1.16 |
| Payroll taxes | 0.15 | 0.16 | 0.14 |
| Employee benefits | 0.22 | 0.14 | 0.33 |
| Advertising | 0.17 | 0.19 | 0.11 |
| Travel and entertainment | 0.76 | 0.46 | 0.50 |
| Other selling expenses | 0.38 | 0.20 | 0.08 |
| TOTAL SELLING EXPENSES | 5.22 | 3.83 | 3.83 |

* "All Firms" are the same as "Profit Leaders."

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL* | BOOK | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 0.94% | 1.86% | 1.74% | 1.48% |
| 20.40 | 19.62 | 15.70 | 15.32 |
| 1.22 | 5.11 | 1.56 | 2.31 |
| 1.49 | 0.35 | 1.29 | 1.82 |
| 1.66 | 2.09 | 1.45 | 1.28 |
| 1.64 | 5.15 | 1.96 | 2.38 |
| 27.35 | 34.18 | 23.70 | 24.59 |
| | | | |
| 0.53 | 0.00 | 0.06 | 0.06 |
| 2.67 | 2.17 | 1.68 | 1.56 |
| 0.10 | 0.00 | 0.26 | 0.20 |
| 0.20 | 0.36 | 0.32 | 0.31 |
| 0.32 | 0.19 | 0.24 | 0.28 |
| 0.49 | 1.23 | 1.06 | 1.29 |
| 0.75 | 0.57 | 0.89 | 0.83 |
| 0.18 | 0.62 | 0.28 | 0.42 |
| 5.24 | 5.14 | 4.79 | 4.95 |
| 1.86 | 1.61 | 2.49 | 2.25 |
| 2.06 | 0.24 | 0.88 | 0.86 |
| 1.76 | 0.96 | 1.30 | 0.92 |
| 0.15 | 1.74 | 0.87 | 0.55 |
| 5.83 | 4.55 | 5.54 | 4.58 |
| 11.07 | 9.69 | 10.33 | 9.53 |
| | | | |
| 1.89 | 1.52 | 2.15 | 2.79 |
| 2.32 | 0.96 | 1.88 | 2.32 |
| 0.33 | 0.22 | 0.20 | 0.23 |
| 0.47 | 0.39 | 0.33 | 0.49 |
| 0.37 | 2.45 | 0.23 | 0.22 |
| 0.29 | 0.19 | 0.29 | 0.20 |
| 0.71 | 0.12 | 0.39 | 0.50 |
| 0.23 | 0.00 | 0.03 | 0.07 |
| 0.34 | 0.53 | 0.36 | 0.37 |
| 0.72 | 3.30 | 1.73 | 1.35 |
| 7.67 | 9.68 | 7.59 | 8.54 |
| | | | |
| 0.67 | 0.26 | 0.55 | 1.03 |
| 0.59 | 4.84 | 2.23 | 1.66 |
| 0.21 | 0.14 | 0.32 | 0.54 |
| 0.09 | 0.15 | 0.16 | 0.14 |
| 0.16 | 0.20 | 0.24 | 0.35 |
| 0.32 | 1.03 | 0.27 | 0.37 |
| 0.31 | 0.66 | 0.51 | 0.45 |
| 0.33 | 0.76 | 0.35 | 0.34 |
| 2.68 | 8.04 | 4.63 | 4.88 |

## BALANCE SHEET

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash | 9.30% | 13.58% | 2.58% |
| Receivables | 26.44 | 23.75 | 28.75 |
| Inventories | 14.22 | 13.99 | 21.56 |
| Other current assets | 4.62 | 7.48 | 2.87 |
| TOTAL CURRENT ASSETS | 54.58 | 58.80 | 55.76 |
| FIXED ASSETS | | | |
| Real estate | 9.51 | 6.05 | 36.55 |
| Less: Accumulated depreciation | 1.39 | 0.38 | 19.86 |
| | 8.12 | 5.67 | 16.69 |
| Machinery and equipment | 51.47 | 45.78 | 54.22 |
| Less: Accumulated depreciation | 22.64 | 20.00 | 33.16 |
| | 28.83 | 25.78 | 21.06 |
| Other fixed assets | 7.80 | 8.94 | 8.51 |
| Less: Accumulated depreciation | 2.94 | 2.14 | 3.60 |
| | 4.86 | 6.80 | 4.91 |
| NET FIXED ASSETS | 41.81 | 38.25 | 42.66 |
| OTHER ASSETS | 3.61 | 2.95 | 1.58 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| **LIABILITIES AND EQUITY** | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 4.30 | 3.83 | 4.45 |
| Accounts payable | 14.96 | 10.64 | 21.52 |
| Other current liabilities | 11.92 | 7.47 | 9.15 |
| TOTAL CURRENT LIABILITIES | 31.18 | 21.94 | 35.12 |
| LONG-TERM LIABILITIES | 32.25 | 26.36 | 7.69 |
| TOTAL LIABILITIES | 63.43 | 48.30 | 42.81 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 36.57 | 51.70 | 57.19 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.75 | 2.68 | 1.59 |
| QUICK RATIO | 1.29 | 2.04 | 0.97 |
| TOTAL LIABILITIES TO EQUITY | 1.73 | 0.93 | 0.75 |
| LONG-TERM LIABILITIES TO EQUITY | 0.88 | 0.51 | 0.13 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.44 | 0.44 | 0.61 |

* "All Firms" are the same as "Profit Leaders."

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL* | BOOK | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 5.42% | 0.14% | 6.52% | 12.86% |
| 33.32 | 61.88 | 37.39 | 35.27 |
| 12.64 | 12.05 | 18.34 | 17.11 |
| 2.02 | 3.09 | 1.52 | 1.75 |
| 53.40 | 77.16 | 63.77 | 66.99 |
| 16.34 | 0.00 | 3.51 | 2.52 |
| 4.37 | 0.00 | 0.56 | 0.44 |
| 11.97 | 0.00 | 2.95 | 2.08 |
| 50.98 | 34.80 | 50.40 | 47.87 |
| 25.98 | 15.72 | 25.89 | 23.39 |
| 25.00 | 19.08 | 24.51 | 24.48 |
| 8.18 | 6.28 | 6.20 | 9.99 |
| 2.61 | 3.13 | 4.20 | 6.73 |
| 5.57 | 3.15 | 2.00 | 3.26 |
| 42.54 | 22.23 | 29.46 | 29.82 |
| 4.06 | 0.61 | 6.77 | 3.19 |
| 100.00 | 100.00 | 100.00 | 100.00 |
| 11.48 | 11.38 | 17.01 | 5.37 |
| 20.00 | 11.42 | 17.19 | 11.54 |
| 6.73 | 20.23 | 11.90 | 15.44 |
| 38.21 | 43.03 | 46.10 | 32.35 |
| 25.95 | 6.64 | 24.11 | 18.41 |
| 64.16 | 49.67 | 70.21 | 50.76 |
| 35.84 | 50.33 | 29.79 | 49.24 |
| 100.00 | 100.00 | 100.00 | 100.00 |

| | | | |
|---|---|---|---|
| 1.40 | 1.79 | 1.38 | 2.07 |
| 1.07 | 1.51 | 0.99 | 1.54 |
| 1.79 | 0.99 | 2.36 | 1.03 |
| 0.72 | 0.13 | 0.81 | 0.37 |
| 0.51 | 0.45 | 0.51 | 0.49 |

## SIGNIFICANT FACTS

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 37,252 | $ 55,248 | $ 23,451 |
| Average assets per factory employee (Excluding Executives) | 48,469 | 70,073 | 28,189 |
| Average net worth per employee - All employees | 13,966 | 25,629 | 13,868 |
| Average gross plant investment per factory employee (Excluding Executives) | 33,283 | 44,300 | 26,981 |
| Net worth percentage of fixed assets | 97.22% | 157.82% | 145.28% |
| EMPLOYEES | | | |
| Percent factory - All employees | 81.78% | 81.71% | 85.96% |
| Percent administrative - All employees | 10.81 | 12.52 | 7.76 |
| Percent sales - All employees | 7.41 | 5.77 | 6.28 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 69,117 | $ 86,069 | $ 62,757 |
| Sales per factory employee | 84,905 | 105,271 | 74,541 |
| Sales less material per factory employee | 45,953 | 58,850 | 39,033 |
| Sales per administrative employee | 758,819 | 963,910 | 799,583 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 75,313 | 92,402 | 66,095 |
| Sales per factory employee | 89,732 | 109,113 | 76,233 |
| Sales less material per factory employee | 48,453 | 61,034 | 39,990 |
| SALES PER SALESMAN | 716,779 | 1,049,207 | 4,933,167 |
| SALES TO CURRENT ASSETS | 396% | 303% | 466% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 31.96% | 28.54% | 39.36% |
| Factory payroll percentage of gross plant investment | 73.01 | 64.82 | 84.73 |
| Payroll per employee - All employees | $ 20,714 | $ 23,421 | $ 23,361 |
| Payroll per factory employee | 18,556 | 20,693 | 21,780 |
| Payroll per administrative employee | 29,233 | 30,756 | 34,994 |
| Payroll per sales employee | 33,496 | 41,898 | 39,117 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 16,087 | $ 18,303 | $ 18,627 |
| Payroll per factory employee | 15,461 | 17,679 | 17,932 |
| Payroll per administrative employee | 13,960 | 15,177 | 22,546 |
| Payroll per sales employee | 25,461 | 26,510 | 33,857 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 47,470 | 53,034 | 41,676 |
| Payroll per factory executive | 33,242 | 42,515 | 38,214 |
| Payroll per administrative executive | 61,335 | 65,902 | 51,528 |
| Payroll per sales executive | 36,341 | 40,552 | 30,928 |
| RECEIVABLES | | | |
| Collection period | 50.0 | 55.7 | 37.6 |
| PROFIT | | | |
| Gross profit percentage of sales | 20.79% | 25.17% | 16.35% |
| Average gross profit per factory employee | $ 18,859 | $ 26,801 | $ 11,591 |
| Income before taxes percentage of sales | 6.84% | 13.16% | 5.00% |
| Average income before taxes per employee | $ 5,344 | $ 11,244 | $ 3,184 |

* "All Firms" are the same as "Profit Leaders."

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL* | BOOK | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 35,769 | $ 33,890 | $ 37,719 | $ 29,074 |
| 45,512 | 63,794 | 48,252 | 37,299 |
| 13,290 | 18,090 | 10,722 | 13,828 |
| 31,172 | 21,447 | 30,126 | 23,469 |
| 107.90% | 332.98% | 124.06% | 212.19% |
| 83.38% | 75.40% | 82.04% | 80.32% |
| 13.44 | 17.86 | 10.57 | 11.98 |
| 3.18 | 6.74 | 7.39 | 7.70 |
| $ 67,534 | $ 77,260 | $ 76,767 | $ 71,392 |
| 82,999 | 117,092 | 94,519 | 88,665 |
| 44,553 | 98,338 | 48,748 | 51,799 |
| 681,648 | 1,132,047 | 873,353 | 653,752 |
| 72,756 | 87,664 | 82,287 | 76,854 |
| 85,462 | 142,842 | 98,047 | 91,754 |
| 45,734 | 120,585 | 50,731 | 53,663 |
| 1,416,306 | 0 | 868,308 | 760,225 |
| 487% | 314% | 382% | 380% |
| 34.07% | 42.85% | 31.76% | 34.15% |
| 92.61 | 210.87 | 100.29 | 113.49 |
| $ 21,357 | $ 34,537 | $ 23,029 | $ 24,213 |
| 20,654 | 42,055 | 20,741 | 21,587 |
| 24,322 | 28,024 | 32,715 | 34,303 |
| 32,023 | 63,409 | 37,223 | 37,355 |
| $ 17,799 | $ 26,806 | $ 17,688 | $ 18,138 |
| 17,866 | 33,518 | 16,853 | 17,544 |
| 14,011 | 3,217 | 17,048 | 16,914 |
| 22,134 | 60,872 | 29,745 | 26,374 |
| 34,260 | 36,558 | 46,877 | 52,075 |
| 30,770 | 15,294 | 34,269 | 37,460 |
| 36,237 | 54,975 | 58,139 | 61,212 |
| 28,469 | 26,702 | 42,805 | 59,902 |
| 65.2 | 110.8 | 60.5 | 53.5 |
| 15.63% | 37.16% | 20.00% | 24.90% |
| $ 14,654 | $ 57,324 | $ 19,212 | $ 22,611 |
| 4.47% | 16.82% | 5.58% | 10.10% |
| $ 3,242 | $ 13,399 | $ 4,331 | $ 7,003 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 4.64 | $ 8.25 | $ 1.12 |
| Receivables | 13.45 | 14.93 | 10.11 |
| Inventories | 7.23 | 8.11 | 9.00 |
| Marketable securities | 0.83 | 1.26 | 0.00 |
| Other current assets | 1.32 | 2.04 | 1.27 |
| | 27.47 | 34.59 | 21.50 |
| Plant Investment: | | | |
| Land and building | 4.92 | 2.99 | 15.11 |
| Machinery and equipment | 27.25 | 29.09 | 22.06 |
| Other fixed assets | 4.16 | 6.03 | 3.66 |
| | 36.33 | 38.11 | 40.83 |
| Non-Current Assets | 2.07 | 2.08 | 0.52 |
| TOTAL INVESTMENT | 65.87 | 74.78 | 62.85 |
| INVESTMENT TURNOVER PER $100 OF SALES | 151.81% | 133.73% | 159.11% |
| EARNINGS | | | |
| Cost of Product | $79.21 | $74.83 | $83.65 |
| Selling Expenses | 5.22 | 3.83 | 3.83 |
| Administrative Expenses | 7.68 | 8.36 | 7.04 |
| | 92.11 | 87.02 | 94.52 |
| Income Before Interest, Other Income (Expense), and Taxes | 7.89 | 12.98 | 5.48 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 11.98% | 17.36% | 8.72% |

* "All Firms" are the same as "Profit Leaders."

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL* | BOOK | |
|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 2.99 | $ 0.07 | $ 2.36 | $ 4.62 |
| 17.49 | 26.54 | 16.31 | 14.39 |
| 5.94 | 5.35 | 7.99 | 6.84 |
| 0.44 | 0.00 | 0.00 | 0.00 |
| 0.63 | 1.35 | 0.63 | 0.66 |
| 27.49 | 33.31 | 27.29 | 26.51 |
| 9.35 | 0.00 | 2.19 | 1.28 |
| 24.24 | 14.34 | 23.35 | 19.92 |
| 4.49 | 2.88 | 2.50 | 3.75 |
| 38.08 | 17.22 | 28.04 | 24.95 |
| 2.28 | 0.28 | 4.14 | 1.22 |
| 67.85 | 50.81 | 59.47 | 52.68 |
| 147.38% | 196.81% | 168.15% | 189.83% |
| $84.37 | $62.84 | $80.00 | $75.10 |
| 2.68 | 8.04 | 4.63 | 4.88 |
| 7.67 | 9.68 | 7.59 | 8.54 |
| 94.72 | 80.56 | 92.22 | 88.52 |
| 5.28 | 19.44 | 7.78 | 11.48 |
| 7.78% | 38.26% | 13.08% | 21.79% |

## ABSOLUTE DATA NON-HEATSET WEB

| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL FIRMS | 58 | $5,093,000 | $ 8,952,000 | $ 701,000 |
| TOTAL - PROFIT LEADERS* | 19 | 4,344,000 | 7,967,000 | 1,069,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| 0-$1,500,000 | 5 | 310,000 | 776,000 | 32,000 |
| $1,500,000-$5,000,000 | 29 | 1,621,000 | 3,120,000 | 274,000 |
| $5,000,000-$10,000,000 | 11 | 3,106,000 | 7,282,000 | 385,000 |
| $10,000,000-$20,000,000 | 4 | 10,423,000 | 14,948,000 | 654,000 |
| Over $20,000,000 | 9 | 18,999,000 | 31,665,000 | 2,855,000 |
| PROFIT LEADERS | | | | |
| $1,500,000-$5,000,000 | 12 | 1,699,000 | 3,181,000 | 484,000 |
| $5,000,000-$10,000,000 | 3 | 3,292,000 | 6,870,000 | 620,000 |
| Over $20,000,000 | 3 | 12,802,000 | 25,477,000 | 3,698,000 |
| BY PRODUCT SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Commercial and Advertising | 16 | 3,624,000 | 6,677,000 | 535,000 |
| Magazine and periodical | 3 | 5,422,000 | 12,901,000 | 731,000 |
| Newspaper | 9 | 5,185,000 | 9,640,000 | 502,000 |
| Financial*** | 2 | 7,536,000 | 16,591,000 | 2,997,000 |
| Book | 6 | 4,437,000 | 8,286,000 | 398,000 |
| PROFIT LEADERS | | | | |
| Commercial and Advertising | 5 | 6,530,000 | 10,443,000 | 1,300,000 |
| Book | 3 | 2,284,000 | 5,383,000 | 504,000 |

### HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| Firm | Sales | Factory Payroll | % of Sales | |
|---|---|---|---|---|
| | | | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |

62.2% divided by 3 = 20.7%

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

*** "All Firms" are "Profit Leaders."

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PIA's Web Offset Section is the Association's most senior Special Industry Group. Over 600 firms are involved with the Section's special activities, and over 1,000 people attend the Annual Web Offset Meeting each year, where they hear discussions and exchange information on the technology and problems unique to web offset production. Summaries and transcriptions of these sessions are published by the Section in the form of the Web Offset Proceedings, and are available for the use of industry firms.

In addition to the Proceedings, several other special reports of interest to heatset web firms and equipment suppliers are produced by the Web Offset Section. Two of the most widely used of these publications are the Web Offest Directory, which lists most heatset web plants in the United States and Canada; and the companion volume, Web Offset Product Catalog, which describes the primary products printed by the companies listed in the Directory. These publications can be a powerful marketing resource for firms considering web equipment, and for web equipment suppliers.

Additional information about WOS publications and activities is available from the Web Offset Section.

Ed Hill

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Executive Director
Web Offset Section
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## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 46.90 | 42.06 | 43.63 | 43.51 |
| FACTORY EXPENSES | 22.00 | 19.45 | 24.72 | 16.86 |
| TOTAL FACTORY COST OF PRODUCT | 68.90 | 61.51 | 68.35 | 60.37 |
| GROSS PROFIT | 31.10 | 38.49 | 31.65 | 39.63 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 11.11 | 9.91 | 13.79 | 12.88 |
| Selling expenses | 10.00 | 8.83 | 9.65 | 4.89 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 21.11 | 18.74 | 23.44 | 17.77 |
| INCOME BEFORE INTEREST EXPENSE | 9.99 | 19.75 | 8.21 | 21.86 |
| Interest expense | 3.75 | 3.22 | 6.24 | 6.96 |
| OPERATING INCOME (LOSS) | 6.24 | 16.53 | 1.97 | 14.90 |
| Other income | 2.27 | 4.01 | 2.31 | 2.28 |
| INCOME BEFORE INCOME TAXES | 8.51 | 20.54 | 4.28 | 17.18 |

| SALES FROM $5 TO $10 MILLION |  | SALES FROM $10 TO $20 MILLION |  | SALES OVER $20 MILLION |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X |
| X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 46.55 | 34.50 | 48.00 | 41.00 | 47.55 | 45.02 |
| 25.55 | 20.13 | 20.14 | 20.60 | 21.09 | 19.61 |
| 72.10 | 54.63 | 68.14 | 61.60 | 68.64 | 64.63 |
| 27.90 | 45.37 | 31.86 | 38.40 | 31.36 | 35.37 |
| 14.12 | 17.78 | 9.60 | 7.79 | 9.48 | 7.35 |
| 12.33 | 12.28 | 9.70 | 9.28 | 9.17 | 7.52 |
| 26.45 | 30.06 | 19.30 | 17.07 | 18.65 | 14.87 |
| 1.45 | 15.31 | 12.56 | 21.33 | 12.71 | 20.50 |
| 2.97 | 2.82 | 3.55 | 3.87 | 3.39 | 2.35 |
| (1.52) | 12.49 | 9.01 | 17.46 | 9.32 | 18.15 |
| 3.83 | 13.97 | 2.04 | 3.13 | 1.66 | 1.47 |
| 2.31 | 26.46 | 11.05 | 20.59 | 10.98 | 19.62 |

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.54% | 2.41% | 2.47% | 1.78% |
| Direct wages | 30.37 | 27.39 | 29.55 | 20.66 |
| General factory salaries and wages | 5.35 | 4.78 | 4.83 | 16.96 |
| Packing, shipping and delivery wages | 1.45 | 0.99 | 1.09 | 0.00 |
| Payroll taxes | 2.81 | 2.24 | 3.04 | 1.93 |
| Employee benefits | 4.38 | 4.25 | 2.65 | 2.18 |
| TOTAL FACTORY PAYROLL | 46.90 | 42.06 | 43.63 | 43.51 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.45 | 0.34 | 0.88 | 0.55 |
| Depreciation - other | 4.94 | 5.22 | 4.43 | 5.63 |
| Taxes - real estate | 0.39 | 0.44 | 0.35 | 0.38 |
| Taxes - other | 0.30 | 0.24 | 0.36 | 0.03 |
| Insurance | 0.55 | 0.49 | 0.62 | 0.52 |
| Building rent | 1.41 | 0.99 | 2.99 | 2.63 |
| Utilities - heat, light, etc. | 2.66 | 2.45 | 1.93 | 1.52 |
| Equipment rental | 0.77 | 0.33 | 1.69 | 0.29 |
| Total Fixed Expenses | 11.47 | 10.50 | 13.25 | 11.55 |
| Other Expenses | | | | |
| Factory supplies and expense | 4.51 | 3.63 | 5.26 | 2.54 |
| Packing, shipping and delivery expense | 1.93 | 1.86 | 2.11 | 0.12 |
| Repairs and maintenance | 2.71 | 2.48 | 2.37 | 2.52 |
| Other factory expenses | 1.38 | 0.98 | 1.73 | 0.13 |
| Total Other Expenses | 10.53 | 8.95 | 11.47 | 5.31 |
| TOTAL FACTORY EXPENSES | 22.00 | 19.45 | 24.72 | 16.86 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.45 | 2.20 | 3.96 | 3.50 |
| Salaries - office | 2.53 | 2.02 | 2.86 | 2.10 |
| Payroll taxes | 0.31 | 0.26 | 0.41 | 0.40 |
| Employee benefits | 0.78 | 0.68 | 1.30 | 0.34 |
| Bad debts | 0.67 | 0.34 | 1.16 | 1.21 |
| Office supplies and expenses | 0.60 | 0.48 | 0.87 | 2.02 |
| Professional fees | 0.68 | 0.60 | 0.66 | 0.62 |
| Taxes - business | 0.17 | 0.14 | 0.10 | 0.00 |
| Telephone | 0.59 | 0.57 | 0.46 | 0.64 |
| Other administrative expenses | 2.33 | 2.62 | 2.01 | 2.05 |
| TOTAL ADMINISTRATIVE EXPENSES | 11.11 | 9.91 | 13.79 | 12.88 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.06 | 1.14 | 0.80 | 0.00 |
| Salaries and commissions - salesmen | 4.54 | 3.99 | 4.93 | 1.18 |
| Salaries - sales office clerical | 0.98 | 0.62 | 0.61 | 0.00 |
| Payroll taxes | 0.30 | 0.22 | 0.31 | 0.02 |
| Employee benefits | 0.43 | 0.48 | 0.16 | 0.02 |
| Advertising | 0.42 | 0.33 | 0.91 | 0.57 |
| Travel and entertainment | 1.11 | 0.77 | 1.11 | 0.50 |
| Other selling expenses | 1.16 | 1.28 | 0.82 | 2.60 |
| TOTAL SELLING EXPENSES | 10.00 | 8.83 | 9.65 | 4.89 |

| SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION | | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.52% | 1.94% | 2.67% | 2.10% | 2.27% | 2.37% |
| 31.98 | 24.29 | 31.99 | 27.86 | 28.83 | 29.41 |
| 4.23 | 3.61 | 4.34 | 3.27 | 7.03 | 4.67 |
| 1.48 | 0.99 | 1.67 | 1.23 | 1.45 | 1.06 |
| 2.69 | 1.84 | 3.00 | 2.55 | 2.65 | 2.15 |
| 3.65 | 1.83 | 4.33 | 3.99 | 5.32 | 5.36 |
| 46.55 | 34.50 | 48.00 | 41.00 | 47.55 | 45.02 |
| | | | | | |
| 0.48 | 0.39 | 0.44 | 0.35 | 0.25 | 0.25 |
| 6.09 | 4.93 | 5.04 | 5.98 | 4.66 | 4.88 |
| 0.44 | 0.56 | 0.35 | 0.35 | 0.40 | 0.49 |
| 0.46 | 0.32 | 0.30 | 0.30 | 0.19 | 0.18 |
| 0.85 | 1.30 | 0.45 | 0.39 | 0.47 | 0.27 |
| 1.83 | 0.23 | 1.01 | 1.54 | 0.93 | 0.62 |
| 2.87 | 2.08 | 2.71 | 2.71 | 2.86 | 2.64 |
| 0.57 | 0.05 | 0.32 | 0.26 | 0.87 | 0.52 |
| 13.59 | 9.86 | 10.62 | 11.88 | 10.63 | 9.85 |
| 4.05 | 2.67 | 4.27 | 4.55 | 4.72 | 3.65 |
| 2.53 | 4.88 | 1.80 | 0.91 | 1.69 | 1.93 |
| 3.35 | 2.11 | 2.55 | 2.72 | 2.70 | 2.49 |
| 2.03 | 0.61 | 0.90 | 0.54 | 1.35 | 1.69 |
| 11.96 | 10.27 | 9.52 | 8.72 | 10.46 | 9.76 |
| 25.55 | 20.13 | 20.14 | 20.60 | 21.09 | 19.61 |
| | | | | | |
| 3.40 | 2.94 | 1.95 | 1.97 | 1.72 | 1.68 |
| 2.04 | 1.57 | 2.47 | 1.59 | 2.47 | 1.89 |
| 0.27 | 0.27 | 0.28 | 0.22 | 0.29 | 0.20 |
| 0.44 | 0.20 | 0.63 | 0.70 | 0.77 | 0.68 |
| 0.90 | 0.30 | 0.44 | 0.14 | 0.57 | 0.39 |
| 0.55 | 0.28 | 0.52 | 0.36 | 0.58 | 0.35 |
| 0.83 | 0.80 | 0.69 | 0.72 | 0.61 | 0.45 |
| 0.42 | 0.24 | 0.21 | 0.28 | 0.05 | 0.03 |
| 0.94 | 1.18 | 0.56 | 0.41 | 0.49 | 0.43 |
| 4.33 | 10.00 | 1.85 | 1.40 | 1.93 | 1.24 |
| 14.12 | 17.78 | 9.60 | 7.79 | 9.48 | 7.35 |
| | | | | | |
| 1.52 | 3.15 | 1.29 | 0.91 | 0.73 | 0.66 |
| 5.93 | 5.47 | 4.03 | 3.69 | 4.03 | 3.92 |
| 0.84 | 0.19 | 1.09 | 0.65 | 1.14 | 0.91 |
| 0.39 | 0.34 | 0.26 | 0.27 | 0.27 | 0.14 |
| 0.35 | 0.35 | 0.40 | 0.43 | 0.57 | 0.58 |
| 0.45 | 0.57 | 0.35 | 0.26 | 0.25 | 0.23 |
| 1.32 | 1.34 | 1.03 | 0.71 | 1.09 | 0.65 |
| 1.53 | 0.87 | 1.25 | 2.36 | 1.09 | 0.43 |
| 12.33 | 12.28 | 9.70 | 9.28 | 9.17 | 7.52 |

## REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 29.90 | 26.83 | 32.36 | 37.13 |
| Other chargeable materials | 7.67 | 9.63 | 5.14 | 4.25 |
| Outside services | 5.53 | 5.23 | 6.33 | 1.69 |
| TOTAL MATERIAL | 43.10 | 41.69 | 43.83 | 43.07 |
| FACTORY PAYROLL | 26.59 | 24.40 | 24.50 | 24.73 |
| FACTORY EXPENSES | 12.46 | 11.47 | 13.83 | 9.61 |
| TOTAL FACTORY COST OF PRODUCT | 82.15 | 77.56 | 82.16 | 77.41 |
| GROSS PROFIT | 17.85 | 22.44 | 17.84 | 22.59 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 6.37 | 5.92 | 7.77 | 7.32 |
| Selling expenses | 5.65 | 5.20 | 5.37 | 2.79 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 12.02 | 11.12 | 13.14 | 10.11 |
| INCOME BEFORE INTEREST EXPENSE | 5.83 | 11.32 | 4.70 | 12.48 |
| Interest expense | 2.11 | 1.85 | 3.47 | 3.99 |
| OPERATING INCOME | 3.72 | 9.47 | 1.23 | 8.49 |
| Other income | 1.23 | 2.09 | 1.26 | 1.30 |
| INCOME BEFORE INCOME TAXES | 4.95 | 11.56 | 2.49 | 9.79 |

## SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 4.72% | 6.81% | 2.45% | |
| Film | 0.90 | 0.59 | 1.28 | |
| Plates | 1.29 | 1.05 | 1.23 | |
| Other chargeable materials | 0.76 | 1.18 | 0.18 | |
| TOTAL OTHER CHARGEABLE MATERIALS | 7.67 | 9.63 | 5.14 | *** |
| OUTSIDE SERVICES | | | | |
| Composition | 0.29 | 0.09 | 0.77 | |
| Offset preparation | 1.06 | 1.23 | 1.04 | |
| Printing | 0.81 | 0.67 | 0.56 | |
| Binding | 1.79 | 2.23 | 2.51 | |
| Other outside services | 1.58 | 1.01 | 1.45 | |
| TOTAL OUTSIDE SERVICES | 5.53 | 5.23 | 6.33 | *** |

*** Information not submitted.

| SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION | | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 30.54 | 24.80 | 27.05 | 21.31 | 31.19 | 30.88 |
| 6.09 | 5.59 | 9.03 | 13.31 | 8.44 | 9.44 |
| 7.74 | 11.21 | 4.26 | 4.06 | 4.99 | 4.22 |
| 44.37 | 41.60 | 40.34 | 38.68 | 44.62 | 44.54 |
| 25.24 | 19.05 | 28.58 | 25.24 | 26.41 | 25.07 |
| 13.98 | 12.31 | 12.08 | 12.69 | 11.69 | 10.97 |
| 83.59 | 72.96 | 81.00 | 76.61 | 82.72 | 80.58 |
| 16.41 | 27.04 | 19.00 | 23.39 | 17.28 | 19.42 |
| 7.88 | 10.60 | 5.88 | 4.99 | 5.27 | 4.08 |
| 6.76 | 7.20 | 5.80 | 5.83 | 5.04 | 4.09 |
| 14.64 | 17.80 | 11.68 | 10.82 | 10.31 | 8.17 |
| 1.77 | 9.24 | 7.32 | 12.57 | 6.97 | 11.25 |
| 1.67 | 1.63 | 1.99 | 2.15 | 1.87 | 1.42 |
| 0.10 | 7.61 | 5.33 | 10.42 | 5.10 | 9.83 |
| 1.71 | 6.13 | 1.28 | 1.98 | 0.91 | 0.84 |
| 1.81 | 13.74 | 6.61 | 12.40 | 6.01 | 10.67 |

| | | | | | |
|---|---|---|---|---|---|
| 3.62% | 2.98% | 5.37% | 9.76% | 5.62% | 6.63% |
| 0.90 | 0.64 | 1.40 | 1.03 | 0.49 | 0.47 |
| 1.33 | 1.97 | 1.62 | 1.23 | 1.12 | 1.01 |
| 0.24 | 0.00 | 0.64 | 1.29 | 1.21 | 1.33 |
| 6.09 | 5.59 | 9.03 | 13.31 | 8.44 | 9.44 |
| 0.15 | 0.00 | 0.08 | 0.11 | 0.19 | 0.10 |
| 1.66 | 2.99 | 1.08 | 1.35 | 0.85 | 0.70 |
| 2.01 | 0.00 | 0.76 | 0.72 | 0.55 | 0.71 |
| 3.20 | 8.22 | 0.76 | 0.82 | 1.49 | 1.61 |
| 0.72 | 0.00 | 1.58 | 1.06 | 1.91 | 1.10 |
| 7.74 | 11.21 | 4.26 | 4.06 | 4.99 | 4.22 |

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 1.44% | 1.37% | 1.38% | 1.00% |
| Direct wages | 17.25 | 15.90 | 16.56 | 11.59 |
| General factory salaries and wages | 2.99 | 2.80 | 2.75 | 9.79 |
| Packing, shipping and delivery wages | 0.82 | 0.59 | 0.61 | 0.00 |
| Payroll taxes | 1.61 | 1.33 | 1.70 | 1.11 |
| Employee benefits | 2.48 | 2.41 | 1.50 | 1.24 |
| TOTAL FACTORY PAYROLL | 26.59 | 24.40 | 24.50 | 24.73 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.24 | 0.19 | 0.45 | 0.31 |
| Depreciation - other | 2.79 | 3.00 | 2.52 | 3.23 |
| Taxes - real estate | 0.22 | 0.25 | 0.20 | 0.21 |
| Taxes - other | 0.17 | 0.14 | 0.20 | 0.01 |
| Insurance | 0.32 | 0.29 | 0.35 | 0.29 |
| Building rent | 0.78 | 0.60 | 1.67 | 1.50 |
| Utilities - heat, light, etc. | 1.51 | 1.42 | 1.09 | 0.87 |
| Equipment rental | 0.43 | 0.19 | 0.92 | 0.16 |
| Total Fixed Expenses | 6.46 | 6.08 | 7.40 | 6.58 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.55 | 2.13 | 2.96 | 1.46 |
| Packing, shipping and delivery expense | 1.13 | 1.20 | 1.18 | 0.07 |
| Repairs and maintenance | 1.53 | 1.46 | 1.32 | 1.43 |
| Other factory expenses | 0.79 | 0.60 | 0.97 | 0.07 |
| Total Other Expenses | 6.00 | 5.39 | 6.43 | 3.03 |
| TOTAL FACTORY EXPENSES | 12.46 | 11.47 | 13.83 | 9.61 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.41 | 1.33 | 2.22 | 1.98 |
| Salaries - office | 1.44 | 1.20 | 1.61 | 1.20 |
| Payroll taxes | 0.18 | 0.16 | 0.23 | 0.23 |
| Employee benefits | 0.45 | 0.41 | 0.75 | 0.19 |
| Bad debts | 0.37 | 0.20 | 0.67 | 0.68 |
| Office supplies and expenses | 0.34 | 0.28 | 0.49 | 1.14 |
| Professional fees | 0.39 | 0.36 | 0.37 | 0.36 |
| Taxes - business | 0.10 | 0.09 | 0.05 | 0.00 |
| Telephone | 0.34 | 0.36 | 0.26 | 0.37 |
| Other administrative expenses | 1.35 | 1.53 | 1.12 | 1.17 |
| TOTAL ADMINISTRATIVE EXPENSES | 6.37 | 5.92 | 7.77 | 7.32 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.61 | 0.67 | 0.45 | 0.00 |
| Salaries and commissions - salesmen | 2.54 | 2.31 | 2.75 | 0.67 |
| Salaries - sales office clerical | 0.55 | 0.35 | 0.34 | 0.00 |
| Payroll taxes | 0.17 | 0.14 | 0.17 | 0.01 |
| Employee benefits | 0.24 | 0.28 | 0.09 | 0.01 |
| Advertising | 0.24 | 0.21 | 0.50 | 0.32 |
| Travel and entertainment | 0.63 | 0.47 | 0.62 | 0.28 |
| Other selling expenses | 0.67 | 0.77 | 0.45 | 1.50 |
| TOTAL SELLING EXPENSES | 5.65 | 5.20 | 5.37 | 2.79 |

| SALES FROM $5 TO $10 MILLION |  | SALES FROM $10 TO $20 MILLION |  | SALES OVER $20 MILLION |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 1.35% | 1.06% | 1.58% | 1.23% | 1.25% | 1.28% |
| 17.21 | 12.78 | 19.12 | 17.27 | 16.08 | 16.54 |
| 2.46 | 2.60 | 2.53 | 2.03 | 3.80 | 2.49 |
| 0.80 | 0.56 | 1.01 | 0.77 | 0.80 | 0.61 |
| 1.47 | 1.06 | 1.81 | 1.59 | 1.48 | 1.22 |
| 1.95 | 0.99 | 2.53 | 2.35 | 3.00 | 2.93 |
| 25.24 | 19.05 | 28.58 | 25.24 | 26.41 | 25.07 |
| 0.26 | 0.22 | 0.25 | 0.19 | 0.14 | 0.14 |
| 3.23 | 2.61 | 2.99 | 3.60 | 2.59 | 2.76 |
| 0.24 | 0.29 | 0.20 | 0.21 | 0.22 | 0.26 |
| 0.25 | 0.20 | 0.19 | 0.20 | 0.10 | 0.10 |
| 0.49 | 0.74 | 0.27 | 0.23 | 0.26 | 0.16 |
| 0.92 | 0.14 | 0.62 | 0.99 | 0.51 | 0.34 |
| 1.57 | 1.13 | 1.62 | 1.65 | 1.59 | 1.47 |
| 0.27 | 0.04 | 0.22 | 0.17 | 0.48 | 0.30 |
| 7.23 | 5.37 | 6.36 | 7.24 | 5.89 | 5.53 |
| 2.20 | 1.60 | 2.54 | 2.80 | 2.63 | 2.00 |
| 1.65 | 3.71 | 1.04 | 0.57 | 0.95 | 1.07 |
| 1.83 | 1.19 | 1.55 | 1.68 | 1.47 | 1.41 |
| 1.07 | 0.44 | 0.59 | 0.40 | 0.75 | 0.96 |
| 6.75 | 6.94 | 5.72 | 5.45 | 5.80 | 5.44 |
| 13.98 | 12.31 | 12.08 | 12.69 | 11.69 | 10.97 |
| 1.96 | 1.89 | 1.20 | 1.29 | 0.95 | 0.92 |
| 1.13 | 0.94 | 1.49 | 1.00 | 1.36 | 1.06 |
| 0.15 | 0.17 | 0.17 | 0.14 | 0.16 | 0.11 |
| 0.24 | 0.12 | 0.39 | 0.46 | 0.42 | 0.37 |
| 0.45 | 0.21 | 0.25 | 0.09 | 0.31 | 0.22 |
| 0.29 | 0.17 | 0.31 | 0.23 | 0.33 | 0.20 |
| 0.46 | 0.50 | 0.44 | 0.45 | 0.33 | 0.25 |
| 0.23 | 0.14 | 0.14 | 0.18 | 0.03 | 0.01 |
| 0.55 | 0.83 | 0.33 | 0.26 | 0.27 | 0.24 |
| 2.42 | 5.63 | 1.16 | 0.89 | 1.11 | 0.70 |
| 7.88 | 10.60 | 5.88 | 4.99 | 5.27 | 4.08 |
| 0.81 | 1.78 | 0.81 | 0.59 | 0.40 | 0.36 |
| 3.21 | 3.06 | 2.39 | 2.39 | 2.20 | 2.09 |
| 0.46 | 0.15 | 0.62 | 0.37 | 0.63 | 0.50 |
| 0.22 | 0.21 | 0.16 | 0.17 | 0.15 | 0.08 |
| 0.19 | 0.20 | 0.24 | 0.26 | 0.31 | 0.32 |
| 0.26 | 0.39 | 0.22 | 0.16 | 0.13 | 0.13 |
| 0.74 | 0.92 | 0.61 | 0.44 | 0.61 | 0.36 |
| 0.87 | 0.49 | 0.75 | 1.45 | 0.61 | 0.25 |
| 6.76 | 7.20 | 5.80 | 5.83 | 5.04 | 4.09 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 3.66% | 5.44% | 1.33% | 0.73% |
| Receivables | 29.77 | 28.49 | 33.83 | 22.84 |
| Inventories | 16.79 | 13.71 | 18.15 | 20.28 |
| Other current assets | 5.45 | 6.38 | 5.67 | 3.42 |
| TOTAL CURRENT ASSETS | 55.67 | 54.02 | 58.98 | 47.27 |
| FIXED ASSETS | | | | |
| Real estate | 10.75 | 11.23 | 3.15 | 12.44 |
| Less: Accumulated depreciation | 3.01 | 2.72 | 0.73 | 1.67 |
| | 7.74 | 8.51 | 2.42 | 10.77 |
| Machinery and equipment | 60.87 | 57.42 | 61.11 | 62.04 |
| Less: Accumulated depreciation | 30.21 | 25.25 | 26.64 | 22.90 |
| | 30.66 | 32.17 | 34.47 | 39.14 |
| Other fixed assets | 3.84 | 2.43 | 3.77 | 1.83 |
| Less: Accumulated depreciation | 1.65 | 1.05 | 1.65 | 0.66 |
| | 2.19 | 1.38 | 2.12 | 1.17 |
| NET FIXED ASSETS | 40.59 | 42.06 | 39.01 | 51.08 |
| OTHER ASSETS | 3.74 | 3.92 | 2.01 | 1.65 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 7.84 | 7.79 | 10.72 | 5.32 |
| Accounts payable | 13.06 | 10.72 | 15.89 | 12.95 |
| Other current liabilities | 9.20 | 7.40 | 7.92 | 3.81 |
| TOTAL CURRENT LIABILITIES | 30.10 | 25.91 | 34.53 | 22.08 |
| LONG-TERM LIABILITIES | 26.93 | 22.51 | 38.09 | 49.61 |
| TOTAL LIABILITIES | 57.03 | 48.42 | 72.62 | 71.69 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 42.97 | 51.58 | 27.38 | 28.31 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.85 | 2.08 | 1.71 | 2.14 |
| QUICK RATIO | 1.29 | 1.56 | 1.18 | 1.22 |
| TOTAL LIABILITIES TO EQUITY | 1.33 | 0.94 | 2.65 | 2.53 |
| LONG-TERM LIABILITIES TO EQUITY | 0.63 | 0.44 | 1.39 | 1.75 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.50 | 0.44 | 0.44 | 0.37 |

| SALES FROM $5 TO $10 MILLION |  | SALES FROM $10 TO $20 MILLION |  | SALES OVER $20 MILLION |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 6.04% | 8.21% | 3.75% | 5.14% | 2.46% | 3.13% |
| 29.50 | 42.66 | 27.77 | 25.67 | 30.37 | 28.10 |
| 16.27 | 9.85 | 16.66 | 13.29 | 16.83 | 14.66 |
| 4.74 | 4.20 | 4.89 | 7.33 | 6.06 | 6.80 |
| 56.55 | 64.92 | 53.07 | 51.43 | 55.72 | 52.69 |
| 10.71 | 15.07 | 11.87 | 6.87 | 12.71 | 12.59 |
| 3.21 | 3.56 | 3.17 | 1.40 | 3.56 | 3.28 |
| 7.50 | 11.51 | 8.70 | 5.47 | 9.15 | 9.31 |
| 60.09 | 41.14 | 63.74 | 59.51 | 59.25 | 61.34 |
| 30.64 | 22.94 | 32.14 | 22.34 | 30.06 | 28.76 |
| 29.45 | 18.20 | 31.60 | 37.17 | 29.19 | 32.58 |
| 6.40 | 4.14 | 3.48 | 1.63 | 2.93 | 2.39 |
| 3.02 | 2.17 | 1.49 | 0.73 | 1.14 | 0.93 |
| 3.38 | 1.97 | 1.99 | 0.90 | 1.79 | 1.46 |
| 40.33 | 31.68 | 42.29 | 43.54 | 40.13 | 43.35 |
| 3.12 | 3.40 | 4.64 | 5.03 | 4.15 | 3.96 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 6.36 | 6.46 | 8.15 | 10.03 | 7.34 | 7.44 |
| 13.60 | 13.51 | 11.17 | 9.31 | 13.46 | 11.15 |
| 10.91 | 8.57 | 7.99 | 7.76 | 10.14 | 8.00 |
| 30.87 | 28.54 | 27.31 | 27.10 | 30.94 | 26.59 |
| 27.81 | 21.07 | 24.63 | 23.59 | 24.65 | 19.02 |
| 58.68 | 49.61 | 51.94 | 50.69 | 55.59 | 45.61 |
| 41.32 | 50.39 | 48.06 | 49.31 | 44.41 | 54.39 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.83 | 2.27 | 1.94 | 1.90 | 1.80 | 1.98 |
| 1.30 | 1.93 | 1.33 | 1.41 | 1.26 | 1.43 |
| 1.42 | 0.98 | 1.08 | 1.03 | 1.25 | 0.84 |
| 0.67 | 0.42 | 0.51 | 0.48 | 0.56 | 0.35 |
| 0.51 | 0.56 | 0.50 | 0.38 | 0.51 | 0.47 |

## SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 51,535 | $ 64,375 | $ 36,499 | $ 40,389 |
| Average assets per factory employee (Excluding Executives) | 83,972 | 98,730 | 47,583 | 47,166 |
| Average net worth per employee - All employees | 21,127 | 32,440 | 8,186 | 12,362 |
| Average gross plant investment per factory employee (Excluding Executives) | 54,750 | 64,873 | 33,118 | 35,344 |
| Net worth percentage of fixed assets | 125.93% | 138.21% | 111.82% | 55.81% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 82.93% | 83.65% | 81.28% | 87.95% |
| Percent administrative - All employees | 9.42 | 9.00 | 11.59 | 9.92 |
| Percent sales - All employees | 7.65 | 7.35 | 7.13 | 2.13 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 86,979 | $ 104,474 | $ 64,656 | $ 63,708 |
| Sales per factory employee | 117,893 | 138,012 | 80,457 | 72,202 |
| Sales less material per factory employee | 66,335 | 78,140 | 45,216 | 40,992 |
| Sales per administrative employee | 1,133,554 | 1,415,244 | 651,098 | 792,981 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 94,701 | 114,807 | 70,399 | 68,314 |
| Sales per factory employee | 140,917 | 161,932 | 83,877 | 74,373 |
| Sales less material per factory employee | 79,680 | 91,954 | 47,133 | 42,211 |
| SALES PER SALESMAN | 1,807,399 | 2,155,244 | 778,692 | 1,000,000 |
| SALES TO CURRENT ASSETS | 350% | 333% | 344% | 338% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 34.19% | 31.25% | 33.11% | 29.04% |
| Factory payroll percentage of gross plant investment | 70.08 | 61.90 | 76.58 | 51.91 |
| Payroll per employee - All employees | $ 28,714 | $ 31,441 | $ 21,324 | $ 18,880 |
| Payroll per factory employee | 30,006 | 33,290 | 19,414 | 18,218 |
| Payroll per administrative employee | 30,644 | 30,600 | 31,345 | 26,887 |
| Payroll per sales employee | 47,198 | 53,904 | 29,917 | 12,621 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 23,531 | $ 26,151 | $ 17,112 | $ 16,188 |
| Payroll per factory employee | 28,141 | 31,694 | 16,341 | 16,210 |
| Payroll per administrative employee | 15,437 | 14,533 | 13,768 | 14,981 |
| Payroll per sales employee | 40,738 | 46,568 | 27,421 | 12,131 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 48,971 | 50,174 | 35,265 | 30,490 |
| Payroll per factory executive | 33,562 | 33,220 | 22,252 | 18,250 |
| Payroll per administrative executive | 62,046 | 63,996 | 36,494 | 31,740 |
| Payroll per sales executive | 48,248 | 49,603 | 19,912 | 0 |
| RECEIVABLES | | | | |
| Collection period | 62.9 | 66.1 | 66.8 | 53.4 |
| PROFIT | | | | |
| Gross profit percentage of sales | 17.85% | 22.44% | 17.84% | 22.59% |
| Average gross profit per factory employee | $ 26,917 | $ 34,045 | $ 15,420 | $ 16,405 |
| Income before taxes percentage of sales | 4.95% | 11.56% | 2.49% | 9.79% |
| Average income before taxes per employee | $ 5,009 | $ 12,233 | $ 1,773 | $ 6,114 |

| SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION | | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 60,910 | $ 87,562 | $ 43,617 | $ 56,394 | $ 60,143 | $ 70,450 |
| 78,249 | 116,552 | 53,751 | 65,613 | 125,731 | 133,789 |
| 25,826 | 42,852 | 19,565 | 25,418 | 25,254 | 38,930 |
| 52,389 | 57,841 | 39,623 | 45,997 | 76,870 | 91,260 |
| 112.13% | 166.80% | 129.47% | 135.28% | 131.44% | 135.74% |
| 82.22% | 76.95% | 85.87% | 88.47% | 82.29% | 83.07% |
| 8.22 | 9.80 | 8.05 | 6.57 | 9.60 | 9.01 |
| 9.56 | 13.25 | 6.08 | 4.96 | 8.11 | 7.92 |
| $ 83,280 | $ 110,522 | $ 77,785 | $ 94,889 | $ 106,391 | $ 123,773 |
| 102,899 | 144,434 | 91,017 | 107,269 | 162,566 | 180,337 |
| 56,670 | 81,168 | 52,418 | 62,357 | 90,981 | 100,557 |
| 1,074,677 | 1,242,222 | 1,163,932 | 1,583,970 | 1,363,869 | 1,569,262 |
| 89,063 | 119,953 | 82,110 | 99,100 | 118,471 | 140,882 |
| 106,800 | 150,317 | 94,537 | 110,494 | 217,823 | 233,191 |
| 58,684 | 84,047 | 54,509 | 64,209 | 123,093 | 131,233 |
| 866,106 | 896,609 | 1,678,306 | 1,191,862 | 2,774,136 | 3,313,027 |
| 294% | 249% | 385% | 344% | 357% | 361% |
| 33.61% | 27.56% | 36.06% | 31.89% | 32.97% | 30.86% |
| 53.84 | 46.61 | 75.92 | 70.61 | 70.92 | 62.35 |
| $ 26,870 | $ 29,101 | $ 25,833 | $ 27,189 | $ 35,111 | $ 39,321 |
| 24,229 | 25,557 | 23,889 | 24,705 | 42,076 | 47,382 |
| 32,173 | 28,989 | 29,671 | 35,097 | 30,898 | 29,544 |
| 48,445 | 56,643 | 51,395 | 55,493 | 50,913 | 61,366 |
| $ 21,567 | $ 23,177 | $ 20,666 | $ 21,316 | $ 29,607 | $ 34,317 |
| 20,523 | 22,455 | 19,689 | 20,084 | 43,467 | 49,248 |
| 14,843 | 12,268 | 15,646 | 15,782 | 16,411 | 14,690 |
| 43,170 | 49,719 | 43,908 | 46,621 | 43,102 | 53,812 |
| 53,478 | 59,863 | 51,264 | 58,560 | 51,374 | 45,609 |
| 33,681 | 28,254 | 38,039 | 38,602 | 34,863 | 34,032 |
| 69,861 | 72,201 | 61,698 | 70,083 | 70,159 | 65,540 |
| 32,312 | 46,870 | 59,441 | 58,010 | 59,100 | 54,667 |
| 81.7 | 129.7 | 54.3 | 55.8 | 60.2 | 56.8 |
| 16.41% | 27.04% | 19.00% | 23.39% | 17.28% | 19.42% |
| $ 19,149 | $ 40,244 | $ 18,392 | $ 25,225 | $ 41,980 | $ 43,689 |
| 1.81% | 13.74% | 6.61% | 12.40% | 6.01% | 10.67% |
| $ 3,020 | $ 16,077 | $ 5,693 | $ 11,583 | $ 6,773 | $ 13,313 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES FROM $1.5 TO $5 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 2.18 | $ 3.62 | $ 0.56 | $ 0.44 |
| Receivables | 16.73 | 17.75 | 17.79 | 14.36 |
| Inventories | 9.18 | 7.96 | 9.40 | 12.76 |
| Marketable securities | 1.27 | 2.30 | 1.68 | 0.00 |
| Other current assets | 2.16 | 1.80 | 1.45 | 2.18 |
| | 31.52 | 33.43 | 30.88 | 29.74 |
| Plant Investment: | | | | |
| Land and building | 6.46 | 6.94 | 1.86 | 8.14 |
| Machinery and equipment | 34.86 | 35.58 | 35.10 | 38.56 |
| Other fixed assets | 2.14 | 1.29 | 1.96 | 1.10 |
| | 43.46 | 43.81 | 38.92 | 47.80 |
| Non-Current Assets | 2.52 | 2.65 | 0.97 | 1.02 |
| TOTAL INVESTMENT | 77.50 | 79.89 | 70.77 | 78.56 |
| INVESTMENT TURNOVER PER $100 OF SALES | 129.03% | 125.17% | 141.30% | 127.29% |
| EARNINGS | | | | |
| Cost of Product | $82.15 | $77.56 | $82.16 | $77.41 |
| Selling Expenses | 5.65 | 5.20 | 5.37 | 2.79 |
| Administrative Expenses | 6.37 | 5.92 | 7.77 | 7.32 |
| | 94.17 | 88.68 | 95.30 | 87.52 |
| Income Before Interest, Other Income, and Taxes | 5.83 | 11.32 | 4.70 | 12.48 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.52% | 14.17% | 6.64% | 15.89% |

| SALES FROM $5 TO $10 MILLION | | SALES FROM $10 TO $20 MILLION | | SALES OVER $20 MILLION | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 3.90 | $ 6.08 | $ 2.21 | $ 3.41 | $ 1.33 | $ 1.81 |
| 21.86 | 35.10 | 14.46 | 15.01 | 15.94 | 15.09 |
| 10.95 | 7.23 | 8.27 | 7.75 | 9.05 | 7.68 |
| 0.94 | 1.27 | 2.08 | 4.07 | 0.68 | 1.85 |
| 2.19 | 1.47 | 1.26 | 1.24 | 3.01 | 1.99 |
| 39.84 | 51.15 | 28.28 | 31.48 | 30.01 | 28.42 |
| 7.65 | 9.23 | 6.27 | 4.05 | 7.71 | 7.77 |
| 40.70 | 28.92 | 34.44 | 38.05 | 32.35 | 35.48 |
| 4.41 | 2.21 | 1.76 | 0.87 | 1.42 | 1.17 |
| 52.76 | 40.36 | 42.47 | 42.97 | 41.48 | 44.42 |
| 1.60 | 1.98 | 3.82 | 3.87 | 2.64 | 2.42 |
| 94.20 | 93.49 | 74.57 | 78.32 | 74.13 | 75.26 |
| 106.16% | 106.96% | 134.10% | 127.68% | 134.90% | 132.87% |
| $83.59 | $72.96 | $81.00 | $76.61 | $82.72 | $80.58 |
| 6.76 | 7.20 | 5.80 | 5.83 | 5.04 | 4.09 |
| 7.88 | 10.60 | 5.88 | 4.99 | 5.27 | 4.08 |
| 98.23 | 90.76 | 92.68 | 87.43 | 93.03 | 88.75 |
| 1.77 | 9.24 | 7.32 | 12.57 | 6.97 | 11.25 |
| 1.88% | 9.88% | 9.82% | 16.05% | 9.40% | 14.95% |

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% |
| FACTORY PAYROLL | 45.31 | 41.19 |
| FACTORY EXPENSES | 22.36 | 18.54 |
| TOTAL FACTORY COST OF PRODUCT | 67.67 | 59.73 |
| GROSS PROFIT | 32.33 | 40.27 |
| ADMINISTRATIVE AND SELLING EXPENSES | | |
| Administrative expenses | 11.64 | 10.73 |
| Selling expenses | 12.47 | 10.61 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 24.11 | 21.34 |
| INCOME BEFORE INTEREST EXPENSE | 8.22 | 18.93 |
| Interest expense | 3.68 | 2.40 |
| OPERATING INCOME | 4.54 | 16.53 |
| Other income | 2.76 | 5.60 |
| INCOME BEFORE INCOME TAXES | 7.30 | 22.13 |

** Sample insufficient for "Profit Leaders."

| MAGAZINE AND PERIODICAL | | CATALOG AND DIRECTORY** | BOOK | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X |
| X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 47.36 | 41.61 | 37.39 | 54.33 | 49.35 |
| 22.18 | 20.67 | 18.50 | 20.16 | 20.94 |
| 69.54 | 62.28 | 55.89 | 74.49 | 70.29 |
| 30.46 | 37.72 | 44.11 | 25.51 | 29.71 |
| 9.98 | 9.66 | 14.26 | 9.46 | 10.17 |
| 8.10 | 7.82 | 7.78 | 5.54 | 6.36 |
| 18.08 | 17.48 | 22.04 | 15.00 | 16.53 |
| 12.38 | 20.24 | 22.07 | 10.51 | 13.18 |
| 4.08 | 3.86 | 9.36 | 1.62 | 1.39 |
| 8.30 | 16.38 | 12.71 | 8.89 | 11.79 |
| 1.64 | 2.28 | 3.83 | 3.18 | 4.19 |
| 9.94 | 18.66 | 16.54 | 12.07 | 15.98 |

SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | |
| Salaries - executive | 2.67% | 2.51% |
| Direct wages | 29.54 | 28.00 |
| General factory salaries and wages | 4.95 | 3.38 |
| Packing, shipping and delivery wages | 1.69 | 1.13 |
| Payroll taxes | 2.64 | 2.01 |
| Employee benefits | 3.82 | 4.16 |
| TOTAL FACTORY PAYROLL | 45.31 | 41.19 |
| FACTORY EXPENSES | | |
| Fixed Expenses | | |
| Depreciation - real estate | 0.28 | 0.32 |
| Depreciation - other | 5.05 | 5.06 |
| Taxes - real estate | 0.54 | 0.62 |
| Taxes - other | 0.29 | 0.15 |
| Insurance | 0.57 | 0.43 |
| Building rent | 1.95 | 1.22 |
| Utilities - heat, light, etc. | 2.65 | 2.53 |
| Equipment rental | 0.84 | 0.38 |
| Total Fixed Expenses | 12.17 | 10.71 |
| Other Expenses | | |
| Factory supplies and expense | 4.55 | 3.31 |
| Packing, shipping and delivery expense | 1.94 | 1.54 |
| Repairs and maintenance | 2.37 | 2.36 |
| Other factory expenses | 1.33 | 0.62 |
| Total Other Expenses | 10.19 | 7.83 |
| TOTAL FACTORY EXPENSES | 22.36 | 18.54 |
| ADMINISTRATIVE EXPENSES | | |
| Salaries - executive | 2.72 | 1.97 |
| Salaries - office | 2.63 | 2.33 |
| Payroll taxes | 0.31 | 0.26 |
| Employee benefits | 0.86 | 0.68 |
| Bad debts | 0.75 | 0.38 |
| Office supplies and expenses | 0.55 | 0.58 |
| Professional fees | 0.67 | 0.65 |
| Taxes - business | 0.23 | 0.14 |
| Telephone | 0.68 | 0.54 |
| Other administrative expenses | 2.24 | 3.20 |
| TOTAL ADMINISTRATIVE EXPENSES | 11.64 | 10.73 |
| SELLING EXPENSES | | |
| Salaries - executive | 1.39 | 1.45 |
| Salaries and commissions - salesmen | 6.07 | 5.39 |
| Salaries - sales office clerical | 0.88 | 0.52 |
| Payroll taxes | 0.32 | 0.25 |
| Employee benefits | 0.44 | 0.54 |
| Advertising | 0.44 | 0.30 |
| Travel and entertainment | 1.44 | 0.74 |
| Other selling expenses | 1.49 | 1.42 |
| TOTAL SELLING EXPENSES | 12.47 | 10.61 |

** Sample insufficient for "Profit Leaders."

| MAGAZINE AND PERIODICAL | | CATALOG AND DIRECTORY** | BOOK | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 2.41% | 1.84% | 1.15% | 2.38% | 3.88% |
| 29.57 | 25.24 | 27.43 | 38.36 | 32.83 |
| 6.50 | 7.41 | 3.37 | 4.00 | 3.28 |
| 1.27 | 0.94 | 0.29 | 1.01 | 0.84 |
| 2.90 | 2.32 | 2.33 | 3.41 | 3.04 |
| 4.71 | 3.86 | 2.82 | 5.17 | 5.48 |
| 47.36 | 41.61 | 37.39 | 54.33 | 49.35 |
| | | | | |
| 0.64 | 0.27 | 0.42 | 0.43 | 0.47 |
| 5.08 | 5.66 | 7.51 | 3.47 | 4.07 |
| 0.24 | 0.27 | 0.15 | 0.47 | 0.27 |
| 0.31 | 0.26 | 0.01 | 0.42 | 0.60 |
| 0.44 | 0.33 | 0.75 | 1.06 | 1.41 |
| 1.00 | 0.85 | 0.03 | 1.26 | 0.80 |
| 2.67 | 2.35 | 3.87 | 2.46 | 2.30 |
| 0.70 | 0.31 | 0.03 | 0.47 | 0.24 |
| 11.08 | 10.30 | 12.77 | 10.04 | 10.16 |
| 4.87 | 4.45 | 1.46 | 2.53 | 2.47 |
| 1.98 | 2.38 | 1.16 | 1.76 | 2.08 |
| 2.82 | 2.60 | 3.77 | 3.35 | 2.66 |
| 1.43 | 0.94 | (0.66) | 2.48 | 3.57 |
| 11.10 | 10.37 | 5.73 | 10.12 | 10.78 |
| 22.18 | 20.67 | 18.50 | 20.16 | 20.94 |
| | | | | |
| 2.25 | 2.35 | 1.25 | 3.05 | 3.34 |
| 2.34 | 1.73 | 3.43 | 2.64 | 2.23 |
| 0.31 | 0.26 | 0.33 | 0.35 | 0.35 |
| 0.65 | 0.69 | 0.96 | 0.63 | 0.83 |
| 0.58 | 0.36 | 0.42 | 0.15 | 0.17 |
| 0.65 | 0.39 | 1.64 | 0.35 | 0.48 |
| 0.62 | 0.55 | 1.41 | 0.56 | 0.75 |
| 0.07 | 0.13 | 0.27 | 0.16 | 0.22 |
| 0.51 | 0.63 | 0.67 | 0.55 | 0.69 |
| 2.00 | 2.57 | 3.88 | 1.02 | 1.11 |
| 9.98 | 9.66 | 14.26 | 9.46 | 10.17 |
| | | | | |
| 0.71 | 0.92 | 0.00 | 0.58 | 0.89 |
| 3.30 | 2.84 | 2.92 | 2.34 | 2.31 |
| 1.06 | 0.65 | 0.96 | 0.87 | 1.14 |
| 0.29 | 0.22 | 0.20 | 0.19 | 0.21 |
| 0.46 | 0.42 | 0.00 | 0.43 | 0.62 |
| 0.45 | 0.50 | 0.16 | 0.15 | 0.01 |
| 0.81 | 0.87 | 1.81 | 0.68 | 0.77 |
| 1.02 | 1.40 | 1.73 | 0.30 | 0.41 |
| 8.10 | 7.82 | 7.78 | 5.54 | 6.36 |

## REPORT ON OPERATIONS - SALES = 100%

| | COMMERCIAL AND ADVERTISING | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | |
| MATERIAL | | |
| Paper | 30.66 | 29.06 |
| Other chargeable materials | 6.97 | 7.60 |
| Outside services | 7.04 | 7.32 |
| TOTAL MATERIAL | 44.67 | 43.98 |
| FACTORY PAYROLL | 25.03 | 23.16 |
| FACTORY EXPENSES | 12.19 | 10.31 |
| TOTAL FACTORY COST OF PRODUCT | 81.89 | 77.45 |
| GROSS PROFIT | 18.11 | 22.55 |
| ADMINISTRATIVE AND SELLING EXPENSES | | |
| Administrative expenses | 6.38 | 5.95 |
| Selling expenses | 6.85 | 5.97 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 13.23 | 11.92 |
| INCOME BEFORE INTEREST EXPENSE | 4.88 | 10.63 |
| Interest expense | 2.05 | 1.38 |
| OPERATING INCOME | 2.83 | 9.25 |
| Other income | 1.36 | 2.61 |
| INCOME BEFORE INCOME TAXES | 4.19 | 11.86 |

## SUPPORTING SCHEDULES - SALES = 100%

| | | |
|---|---|---|
| OTHER CHARGEABLE MATERIALS | | |
| Ink | 4.51% | 5.49% |
| Film | 0.79 | 0.43 |
| Plates | 0.82 | 0.75 |
| Other chargeable materials | 0.85 | 0.93 |
| TOTAL OTHER CHARGEABLE MATERIALS | 6.97 | 7.60 |
| OUTSIDE SERVICES | | |
| Composition | 0.10 | 0.06 |
| Offset preparation | 1.73 | 2.36 |
| Printing | 0.64 | 0.87 |
| Binding | 3.34 | 3.49 |
| Other outside services | 1.23 | 0.54 |
| TOTAL OUTSIDE SERVICES | 7.04 | 7.32 |

** Sample insufficient for "Profit Leaders."

| MAGAZINE AND PERIODICAL | | CATALOG AND DIRECTORY** | BOOK | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 30.51 | 26.87 | 19.25 | 29.96 | 26.03 |
| 7.21 | 7.34 | 34.02 | 9.15 | 9.80 |
| 4.30 | 3.44 | 1.19 | 4.17 | 3.85 |
| 42.02 | 37.65 | 54.46 | 43.28 | 39.68 |
| 27.13 | 25.30 | 17.08 | 30.79 | 29.89 |
| 12.89 | 13.17 | 8.58 | 11.35 | 12.62 |
| 82.04 | 76.12 | 80.12 | 85.42 | 82.19 |
| 17.96 | 23.88 | 19.88 | 14.58 | 17.81 |
| 5.89 | 6.37 | 7.02 | 5.42 | 6.11 |
| 4.71 | 5.00 | 3.72 | 3.20 | 3.83 |
| 10.60 | 11.37 | 10.74 | 8.62 | 9.94 |
| 7.36 | 12.51 | 9.14 | 5.96 | 7.87 |
| 2.33 | 2.41 | 4.12 | 0.90 | 0.83 |
| 5.03 | 10.10 | 5.02 | 5.06 | 7.04 |
| 0.98 | 1.46 | 1.89 | 1.89 | 2.58 |
| 6.01 | 11.56 | 6.91 | 6.95 | 9.62 |

| | | | | |
|---|---|---|---|---|
| 4.52% | 5.47% | 21.21% | 3.33% | 1.30% |
| 0.88 | 0.38 | 2.37 | 0.93 | 2.06 |
| 1.27 | 0.67 | 3.39 | 3.86 | 4.20 |
| 0.54 | 0.82 | 7.05 | 1.03 | 2.24 |
| 7.21 | 7.34 | 34.02 | 9.15 | 9.80 |
| 0.12 | 0.04 | 0.00 | 0.49 | 0.37 |
| 0.72 | 0.39 | 0.30 | 0.15 | 0.05 |
| 1.04 | 0.49 | 0.04 | 0.76 | 0.55 |
| 0.66 | 0.64 | 0.34 | 1.89 | 2.84 |
| 1.76 | 1.88 | 0.51 | 0.88 | 0.04 |
| 4.30 | 3.44 | 1.19 | 4.17 | 3.85 |

SUPPORTING SCHEDULES - SALES = 100%

| | COMMERCIAL AND ADVERTISING | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | |
| Salaries - executive | 1.48% | 1.43% |
| Direct wages | 16.38 | 15.79 |
| General factory salaries and wages | 2.66 | 1.81 |
| Packing, shipping and delivery wages | 0.93 | 0.62 |
| Payroll taxes | 1.47 | 1.16 |
| Employee benefits | 2.11 | 2.35 |
| TOTAL FACTORY PAYROLL | 25.03 | 23.16 |
| FACTORY EXPENSES | | |
| Fixed Expenses | | |
| Depreciation - real estate | 0.15 | 0.18 |
| Depreciation - other | 2.76 | 2.75 |
| Taxes - real estate | 0.29 | 0.34 |
| Taxes - other | 0.16 | 0.09 |
| Insurance | 0.32 | 0.24 |
| Building rent | 1.06 | 0.71 |
| Utilities - heat, light, etc. | 1.46 | 1.40 |
| Equipment rental | 0.44 | 0.22 |
| Total Fixed Expenses | 6.64 | 5.93 |
| Other Expenses | | |
| Factory supplies and expense | 2.48 | 1.86 |
| Packing, shipping and delivery expense | 1.06 | 0.84 |
| Repairs and maintenance | 1.30 | 1.31 |
| Other factory expenses | 0.71 | 0.37 |
| Total Other Expenses | 5.55 | 4.38 |
| TOTAL FACTORY EXPENSES | 12.19 | 10.31 |
| ADMINISTRATIVE EXPENSES | | |
| Salaries - executive | 1.52 | 1.12 |
| Salaries - office | 1.48 | 1.36 |
| Payroll taxes | 0.17 | 0.15 |
| Employee benefits | 0.49 | 0.40 |
| Bad debts | 0.38 | 0.21 |
| Office supplies and expenses | 0.30 | 0.32 |
| Professional fees | 0.38 | 0.38 |
| Taxes - business | 0.13 | 0.08 |
| Telephone | 0.37 | 0.31 |
| Other administrative expenses | 1.16 | 1.62 |
| TOTAL ADMINISTRATIVE EXPENSES | 6.38 | 5.95 |
| SELLING EXPENSES | | |
| Salaries - executive | 0.77 | 0.80 |
| Salaries and commissions - salesmen | 3.32 | 3.02 |
| Salaries - sales office clerical | 0.48 | 0.29 |
| Payroll taxes | 0.18 | 0.14 |
| Employee benefits | 0.24 | 0.31 |
| Advertising | 0.24 | 0.17 |
| Travel and entertainment | 0.78 | 0.42 |
| Other selling expenses | 0.84 | 0.82 |
| TOTAL SELLING EXPENSES | 6.85 | 5.97 |

** Sample insufficient for "Profit Leaders."

| MAGAZINE AND PERIODICAL |  | CATALOG AND DIRECTORY** | BOOK |  |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 1.33% | 1.04% | 0.48% | 1.44% | 2.36% |
| 16.97 | 15.38 | 12.60 | 21.86 | 19.95 |
| 3.75 | 4.56 | 1.62 | 2.10 | 1.96 |
| 0.74 | 0.62 | 0.14 | 0.53 | 0.51 |
| 1.67 | 1.45 | 1.07 | 1.93 | 1.84 |
| 2.67 | 2.25 | 1.17 | 2.93 | 3.27 |
| 27.13 | 25.30 | 17.08 | 30.79 | 29.89 |
| 0.35 | 0.16 | 0.18 | 0.24 | 0.29 |
| 2.96 | 3.53 | 3.47 | 2.02 | 2.48 |
| 0.14 | 0.16 | 0.06 | 0.25 | 0.17 |
| 0.18 | 0.17 | 0.00 | 0.24 | 0.35 |
| 0.25 | 0.20 | 0.36 | 0.62 | 0.84 |
| 0.57 | 0.56 | 0.01 | 0.72 | 0.47 |
| 1.55 | 1.46 | 1.81 | 1.41 | 1.41 |
| 0.39 | 0.19 | 0.01 | 0.26 | 0.15 |
| 6.39 | 6.43 | 5.90 | 5.76 | 6.16 |
| 2.80 | 2.72 | 0.61 | 1.40 | 1.54 |
| 1.26 | 1.78 | 0.57 | 0.97 | 1.22 |
| 1.62 | 1.65 | 1.76 | 1.76 | 1.59 |
| 0.82 | 0.59 | (0.26) | 1.46 | 2.11 |
| 6.50 | 6.74 | 2.68 | 5.59 | 6.46 |
| 12.89 | 13.17 | 8.58 | 11.35 | 12.62 |
| 1.33 | 1.54 | 0.61 | 1.76 | 2.01 |
| 1.34 | 1.05 | 1.69 | 1.49 | 1.34 |
| 0.18 | 0.17 | 0.16 | 0.20 | 0.21 |
| 0.37 | 0.42 | 0.47 | 0.37 | 0.50 |
| 0.33 | 0.24 | 0.21 | 0.08 | 0.09 |
| 0.38 | 0.25 | 0.81 | 0.21 | 0.30 |
| 0.36 | 0.34 | 0.70 | 0.33 | 0.46 |
| 0.05 | 0.09 | 0.13 | 0.10 | 0.13 |
| 0.31 | 0.44 | 0.33 | 0.32 | 0.41 |
| 1.24 | 1.83 | 1.91 | 0.56 | 0.66 |
| 5.89 | 6.37 | 7.02 | 5.42 | 6.11 |
| 0.42 | 0.61 | 0.00 | 0.34 | 0.54 |
| 1.90 | 1.82 | 1.35 | 1.33 | 1.38 |
| 0.59 | 0.36 | 0.48 | 0.50 | 0.69 |
| 0.17 | 0.14 | 0.10 | 0.11 | 0.12 |
| 0.26 | 0.24 | 0.00 | 0.25 | 0.37 |
| 0.27 | 0.34 | 0.08 | 0.09 | 0.01 |
| 0.49 | 0.59 | 0.89 | 0.40 | 0.47 |
| 0.61 | 0.90 | 0.82 | 0.18 | 0.25 |
| 4.71 | 5.00 | 3.72 | 3.20 | 3.83 |

## BALANCE SHEET

| | COMMERCIAL AND ADVERTISING | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 3.32% | 4.93% |
| Receivables | 32.01 | 31.46 |
| Inventories | 16.91 | 14.86 |
| Other current assets | 3.99 | 4.69 |
| TOTAL CURRENT ASSETS | 56.23 | 55.94 |
| FIXED ASSETS | | |
| Real estate | 7.68 | 8.69 |
| Less: Accumulated depreciation | 2.15 | 1.93 |
| | 5.53 | 6.76 |
| Machinery and equipment | 59.21 | 56.49 |
| Less: Accumulated depreciation | 26.49 | 23.44 |
| | 32.72 | 33.05 |
| Other fixed assets | 3.33 | 2.11 |
| Less: Accumulated depreciation | 1.54 | 1.10 |
| | 1.79 | 1.01 |
| NET FIXED ASSETS | 40.04 | 40.82 |
| OTHER ASSETS | 3.73 | 3.24 |
| TOTAL ASSETS | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | |
| CURRENT LIABILITIES | | |
| Notes payable | 11.22 | 11.80 |
| Accounts payable | 14.29 | 12.20 |
| Other current liabilities | 8.31 | 6.74 |
| TOTAL CURRENT LIABILITIES | 33.82 | 30.74 |
| LONG-TERM LIABILITIES | 26.65 | 20.44 |
| TOTAL LIABILITIES | 60.47 | 51.18 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 39.53 | 48.82 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | |
|---|---|---|
| CURRENT RATIO | 1.66 | 1.82 |
| QUICK RATIO | 1.16 | 1.34 |
| TOTAL LIABILITIES TO EQUITY | 1.53 | 1.05 |
| LONG-TERM LIABILITIES TO EQUITY | 0.67 | 0.42 |
| ACCUMULATED DEPRECIATION-MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.45 | 0.41 |

** Sample insufficient for "Profit Leaders."

| MAGAZINE AND PERIODICAL | | CATALOG AND DIRECTORY** | BOOK | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| 3.88% | 4.90% | 5.71% | 5.29% | 11.30% |
| 27.54 | 23.98 | 25.76 | 29.62 | 26.69 |
| 15.31 | 11.61 | 11.34 | 18.33 | 14.48 |
| 6.56 | 9.57 | 2.99 | 10.21 | 5.07 |
| 53.29 | 50.06 | 45.80 | 63.45 | 57.54 |
| 12.38 | 12.06 | 24.80 | 13.49 | 17.41 |
| 3.68 | 3.19 | 2.97 | 4.26 | 4.73 |
| 8.70 | 8.87 | 21.83 | 9.23 | 12.68 |
| 64.88 | 61.08 | 41.97 | 55.59 | 56.32 |
| 33.26 | 27.21 | 14.54 | 33.72 | 31.14 |
| 31.62 | 33.87 | 27.43 | 21.87 | 25.18 |
| 4.16 | 3.14 | 2.84 | 2.22 | 1.41 |
| 1.57 | 1.18 | 1.18 | 0.77 | 0.60 |
| 2.59 | 1.96 | 1.66 | 1.45 | 0.81 |
| 42.91 | 44.70 | 50.92 | 32.55 | 38.67 |
| 3.80 | 5.24 | 3.28 | 4.00 | 3.79 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 5.32 | 4.80 | 0.35 | 2.73 | 2.96 |
| 11.25 | 8.84 | 12.01 | 13.73 | 10.28 |
| 9.46 | 7.90 | 18.20 | 8.15 | 9.42 |
| 26.03 | 21.54 | 30.56 | 24.61 | 22.66 |
| 30.92 | 29.26 | 21.30 | 16.67 | 16.44 |
| 56.95 | 50.80 | 51.86 | 41.28 | 39.10 |
| 43.05 | 49.20 | 48.14 | 58.72 | 60.90 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 2.05 | 2.32 | 1.50 | 2.58 | 2.54 |
| 1.46 | 1.76 | 1.13 | 1.83 | 1.90 |
| 1.32 | 1.03 | 1.08 | 0.70 | 0.64 |
| 0.72 | 0.59 | 0.44 | 0.28 | 0.27 |
| 0.51 | 0.45 | 0.35 | 0.61 | 0.55 |

SIGNIFICANT FACTS

| | COMMERCIAL AND ADVERTISING | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | |
| Average assets per employee - All employees | $ 63,854 | $ 83,475 |
| Average assets per factory employee (Excluding Executives) | 124,492 | 145,346 |
| Average net worth per employee - All employees | 23,785 | 39,504 |
| Average gross plant investment per factory employee (Excluding Executives) | 74,700 | 90,684 |
| Net worth percentage of fixed assets | 116.92% | 140.83% |
| EMPLOYEES | | |
| Percent factory - All employees | 79.71% | 80.14% |
| Percent administrative - All employees | 10.47 | 10.40 |
| Percent sales - All employees | 9.82 | 9.46 |
| SALES - VALUE OF PRODUCT PRODUCED | | |
| INCLUDING EXECUTIVES | | |
| Sales per employee - All employees | $ 105,414 | $ 131,443 |
| Sales per factory employee | 158,632 | 187,329 |
| Sales less material per factory employee | 88,257 | 104,196 |
| Sales per administrative employee | 1,213,398 | 1,575,832 |
| EXCLUDING EXECUTIVES | | |
| Sales per employee - All employees | 117,510 | 148,176 |
| Sales per factory employee | 205,820 | 233,476 |
| Sales less material per factory employee | 115,642 | 130,925 |
| SALES PER SALESMAN | 1,239,281 | 1,555,340 |
| SALES TO CURRENT ASSETS | 338% | 321% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | |
| INCLUDING EXECUTIVES | | |
| Total payroll percentage of sales | 33.67% | 30.76% |
| Factory payroll percentage of gross plant investment | 69.78 | 64.20 |
| Payroll per employee - All employees | $ 34,492 | $ 39,778 |
| Payroll per factory employee | 39,127 | 45,541 |
| Payroll per administrative employee | 33,884 | 30,533 |
| Payroll per sales employee | 50,248 | 57,897 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | |
| EXCLUDING EXECUTIVES | | |
| Payroll per employee - All employees | $ 29,046 | $ 34,433 |
| Payroll per factory employee | 39,970 | 46,529 |
| Payroll per administrative employee | 16,649 | 16,208 |
| Payroll per sales employee | 42,897 | 50,128 |
| EXECUTIVE PAYROLL | | |
| Payroll per executive - All executives | 50,806 | 45,499 |
| Payroll per factory executive | 32,781 | 29,287 |
| Payroll per administrative executive | 63,719 | 52,188 |
| Payroll per sales executive | 52,077 | 46,527 |
| RECEIVABLES | | |
| Collection period | 71.5 | 78.7 |
| PROFIT | | |
| Gross profit percentage of sales | 18.11% | 22.55% |
| Average gross profit per factory employee | $ 40,524 | $ 47,442 |
| Income before taxes percentage of sales | 4.19% | 11.86% |
| Average income before taxes per employee | $ 5,961 | $ 15,674 |

** Sample insufficient for "Profit Leaders."

| MAGAZINE AND PERIODICAL | | CATALOG AND DIRECTORY** | BOOK | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 40,290 | $ 46,197 | $ 69,101 | $ 44,166 | $ 39,090 |
| 49,551 | 55,232 | 82,200 | 51,970 | 47,592 |
| 16,575 | 22,650 | 34,898 | 27,517 | 24,795 |
| 37,760 | 41,942 | 57,368 | 36,429 | 35,928 |
| 116.48% | 123.04% | 109.91% | 192.35% | 157.41% |
| 85.59% | 86.24% | 85.07% | 87.23% | 87.24% |
| 8.38 | 7.48 | 10.62 | 9.18 | 9.18 |
| 6.03 | 6.28 | 4.31 | 3.59 | 3.58 |
| $ 70,471 | $ 73,181 | $ 123,736 | $ 66,491 | $ 65,604 |
| 83,276 | 86,697 | 140,283 | 76,182 | 75,428 |
| 47,987 | 53,759 | 61,612 | 42,486 | 45,126 |
| 1,020,044 | 1,217,268 | ,884,069 | 771,934 | 730,250 |
| 74,538 | 76,994 | 127,598 | 70,452 | 71,077 |
| 86,496 | 89,424 | 142,261 | 79,171 | 80,337 |
| 49,739 | 55,267 | 62,435 | 44,261 | 48,050 |
| 2,664,297 | 3,887,786 | 1,318,906 | 1,559,577 | 1,746,102 |
| 375% | 340% | 362% | 312% | 329% |
| 33.71% | 31.64% | 21.94% | 37.16% | 37.05% |
| 66.39 | 55.10 | 44.72 | 90.97 | 73.02 |
| $ 23,475 | $ 23,004 | $ 23,749 | $ 23,828 | $ 23,985 |
| 22,056 | 21,059 | 22,761 | 22,668 | 22,183 |
| 28,227 | 32,942 | 16,865 | 26,751 | 29,496 |
| 43,356 | 43,808 | 59,898 | 46,757 | 57,568 |
| $ 18,641 | $ 18,156 | $ 19,073 | $ 18,866 | $ 18,065 |
| 18,111 | 17,579 | 18,337 | 18,659 | 17,724 |
| 14,520 | 13,757 | 11,335 | 13,533 | 11,837 |
| 37,168 | 35,323 | 58,376 | 43,347 | 53,936 |
| 48,000 | 58,167 | 55,746 | 42,667 | 43,064 |
| 35,772 | 33,270 | 48,201 | 27,298 | 29,030 |
| 62,928 | 78,023 | 33,722 | 70,430 | 86,970 |
| 45,640 | 54,708 | 0 | 46,083 | 62,446 |
| 55.7 | 53.9 | 52.1 | 56.5 | 54.9 |
| 17.96% | 23.88% | 19.88% | 14.58% | 17.81% |
| $ 15,707 | $ 21,790 | $ 28,679 | $ 11,633 | $ 14,367 |
| 6.01% | 11.56% | 6.91% | 6.95% | 9.62% |
| $ 4,201 | $ 8,296 | $ 12,425 | $ 4,724 | $ 6,333 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | COMMERCIAL AND ADVERTISING | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | |
| Current Assets: | | |
| Cash | $ 1.79 | $ 3.07 |
| Receivables | 19.09 | 21.21 |
| Inventories | 9.49 | 8.96 |
| Marketable securities | 0.69 | 0.45 |
| Other current assets | 1.44 | 2.40 |
| | 32.50 | 36.09 |
| Plant Investment: | | |
| Land and building | 4.66 | 5.28 |
| Machinery and equipment | 34.80 | 34.54 |
| Other fixed assets | 2.20 | 1.22 |
| | 41.66 | 41.04 |
| Non-Current Assets | 2.13 | 2.15 |
| TOTAL INVESTMENT | 76.29 | 79.28 |
| INVESTMENT TURNOVER PER $100 OF SALES | 131.08% | 126.14% |
| EARNINGS | | |
| Cost of Product | $81.89 | $77.45 |
| Selling Expenses | 6.85 | 5.97 |
| Administrative Expenses | 6.38 | 5.95 |
| | 95.12 | 89.37 |
| Income Before Interest, Other Income, and Taxes | 4.88 | 10.63 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 6.40% | 13.41% |

** Sample insufficient for "Profit Leaders."

| MAGAZINE AND PERIODICAL | | CATALOG AND DIRECTORY** | BOOK | |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| $ 2.33 | $ 3.35 | $ 5.74 | $ 3.19 | $ 8.15 |
| 14.76 | 14.31 | 13.79 | 15.19 | 14.67 |
| 8.17 | 6.79 | 6.16 | 10.33 | 7.88 |
| 1.87 | 4.95 | 0.00 | 1.36 | 2.27 |
| 2.07 | 1.41 | 2.89 | 8.00 | 1.03 |
| 29.20 | 30.81 | 28.58 | 38.07 | 34.00 |
| 6.92 | 7.71 | 19.71 | 10.05 | 11.53 |
| 35.78 | 39.92 | 31.26 | 32.62 | 32.67 |
| 1.98 | 1.51 | 2.14 | 1.35 | 0.97 |
| 44.68 | 49.14 | 53.11 | 44.02 | 45.17 |
| 2.90 | 3.63 | 3.30 | 3.17 | 2.42 |
| 76.78 | 83.58 | 84.99 | 85.26 | 81.59 |
| 130.24% | 119.65% | 117.66% | 117.29% | 122.56% |
| $82.04 | $76.12 | $80.12 | $85.42 | $82.19 |
| 4.71 | 5.00 | 3.72 | 3.20 | 3.83 |
| 5.89 | 6.37 | 7.02 | 5.42 | 6.11 |
| 92.64 | 87.49 | 90.86 | 94.04 | 92.13 |
| 7.36 | 12.51 | 9.14 | 5.96 | 7.87 |
| 9.59% | 14.97% | 10.75% | 6.99% | 9.65% |

REPORT ON OPERATIONS - VALUE ADDED = 100%

| | 0% TO 11% | | 11% TO 21% | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 46.40 | 43.11 | 50.27 | 34.71 |
| FACTORY EXPENSES | 21.92 | 18.85 | 23.89 | 14.54 |
| TOTAL FACTORY COST OF PRODUCT | 68.32 | 61.96 | 74.16 | 49.25 |
| GROSS PROFIT | 31.68 | 38.04 | 25.84 | 50.75 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 12.35 | 10.59 | 12.45 | 11.25 |
| Selling expenses | 10.78 | 10.19 | 12.21 | 16.77 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 23.13 | 20.78 | 24.66 | 28.02 |
| INCOME BEFORE INTEREST EXPENSE | 8.55 | 17.26 | 1.18 | 22.73 |
| Interest expense | 3.21 | 1.70 | 4.15 | 4.77 |
| OPERATING INCOME (LOSS) | 5.34 | 15.56 | (2.97) | 17.96 |
| Other income | 3.24 | 9.16 | 1.54 | 0.93 |
| INCOME (LOSS) BEFORE INCOME TAXES | 8.58 | 24.72 | (1.43) | 18.89 |

| 21% TO 41% | | 41% TO 61% | | OVER 61% | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X |
| X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 49.77 | 52.23 | 50.07 | 48.15 | 44.24 | 41.09 |
| 20.98 | 19.61 | 22.68 | 21.31 | 19.28 | 20.29 |
| 70.75 | 71.84 | 72.75 | 69.46 | 63.52 | 61.38 |
| 29.25 | 28.16 | 27.25 | 30.54 | 36.48 | 38.62 |
| 9.01 | 3.36 | 8.24 | 6.36 | 10.77 | 10.69 |
| 9.07 | 5.72 | 8.88 | 7.20 | 7.72 | 7.55 |
| 18.08 | 9.08 | 17.12 | 13.56 | 18.49 | 18.24 |
| 11.17 | 19.08 | 10.13 | 16.98 | 17.99 | 20.38 |
| 2.54 | 1.20 | 2.95 | 1.87 | 3.74 | 4.43 |
| 8.63 | 17.88 | 7.18 | 15.11 | 14.25 | 15.95 |
| 1.67 | 0.59 | 3.27 | 4.01 | 0.65 | 1.64 |
| 10.30 | 18.47 | 10.45 | 19.12 | 14.90 | 17.59 |

## SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | 0% TO 11% | | 11% TO 21% | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.68% | 2.67% | 2.54% | 0.00% |
| Direct wages | 30.63 | 27.27 | 32.76 | 29.15 |
| General factory salaries and wages | 4.53 | 4.93 | 6.13 | 0.34 |
| Packing, shipping and delivery wages | 1.42 | 1.33 | 1.66 | 0.96 |
| Payroll taxes | 2.47 | 1.63 | 3.51 | 2.34 |
| Employee benefits | 4.67 | 5.28 | 3.67 | 1.92 |
| TOTAL FACTORY PAYROLL | 46.40 | 43.11 | 50.27 | 34.71 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.35 | 0.35 | 0.20 | 0.17 |
| Depreciation - other | 4.87 | 4.71 | 5.06 | 2.95 |
| Taxes - real estate | 0.47 | 0.60 | 0.40 | 0.43 |
| Taxes - other | 0.33 | 0.27 | 0.39 | 0.10 |
| Insurance | 0.41 | 0.42 | 0.68 | 0.81 |
| Building rent | 1.47 | 0.79 | 2.76 | 0.59 |
| Utilities - heat, light, etc. | 2.29 | 2.10 | 3.16 | 2.19 |
| Equipment rental | 0.89 | 0.25 | 1.18 | 0.32 |
| Total Fixed Expenses | 11.08 | 9.49 | 13.83 | 7.56 |
| Other Expenses | | | | |
| Factory supplies and expense | 4.05 | 3.29 | 4.21 | 3.32 |
| Packing, shipping and delivery expense | 1.54 | 1.73 | 1.85 | 1.06 |
| Repairs and maintenance | 3.01 | 2.41 | 2.16 | 1.58 |
| Other factory expenses | 2.24 | 1.93 | 1.84 | 1.02 |
| Total Other Expenses | 10.84 | 9.36 | 10.06 | 6.98 |
| TOTAL FACTORY EXPENSES | 21.92 | 18.85 | 23.89 | 14.54 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.58 | 1.55 | 3.37 | 1.95 |
| Salaries - office | 2.34 | 2.18 | 3.03 | 1.71 |
| Payroll taxes | 0.24 | 0.22 | 0.45 | 0.20 |
| Employee benefits | 1.01 | 0.55 | 0.60 | 0.62 |
| Bad debts | 0.74 | 0.51 | 1.00 | (0.03) |
| Office supplies and expenses | 0.53 | 0.44 | 0.59 | 0.14 |
| Professional fees | 0.50 | 0.36 | 0.84 | 1.08 |
| Taxes - business | 0.28 | 0.09 | 0.17 | 0.49 |
| Telephone | 0.47 | 0.51 | 0.88 | 0.71 |
| Other administrative expenses | 3.66 | 4.18 | 1.52 | 4.38 |
| TOTAL ADMINISTRATIVE EXPENSES | 12.35 | 10.59 | 12.45 | 11.25 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.20 | 0.79 | 1.66 | 5.16 |
| Salaries and commissions - salesmen | 5.38 | 5.37 | 5.30 | 8.72 |
| Salaries - sales office clerical | 1.22 | 1.28 | 0.82 | 0.00 |
| Payroll taxes | 0.28 | 0.23 | 0.38 | 0.43 |
| Employee benefits | 0.42 | 0.65 | 0.33 | 0.40 |
| Advertising | 0.45 | 0.48 | 0.39 | 0.04 |
| Travel and entertainment | 1.05 | 0.90 | 1.69 | 1.11 |
| Other selling expenses | 0.78 | 0.49 | 1.64 | 0.91 |
| TOTAL SELLING EXPENSES | 10.78 | 10.19 | 12.21 | 16.77 |

| 21% TO 41% | | 41% TO 61% | | OVER 61% | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.28% | 1.79% | 1.40% | 0.87% | 3.64% | 3.63% |
| 31.58 | 39.05 | 34.24 | 35.75 | 26.45 | 26.02 |
| 6.77 | 2.64 | 5.85 | 3.96 | 4.47 | 2.87 |
| 1.71 | 1.07 | 1.41 | 0.69 | 0.94 | 1.16 |
| 3.12 | 3.17 | 3.29 | 3.17 | 2.71 | 2.54 |
| 4.31 | 4.51 | 3.88 | 3.71 | 6.03 | 4.87 |
| 49.77 | 52.23 | 50.07 | 48.15 | 44.24 | 41.09 |
| 0.41 | 0.30 | 0.40 | 0.29 | 0.29 | 0.30 |
| 3.85 | 4.15 | 5.04 | 6.30 | 4.88 | 5.53 |
| 0.51 | 0.52 | 0.36 | 0.30 | 0.21 | 0.23 |
| 0.15 | 0.08 | 0.31 | 0.38 | 0.28 | 0.21 |
| 0.44 | 0.25 | 0.78 | 0.24 | 0.33 | 0.38 |
| 0.58 | 1.30 | 1.18 | 1.39 | 0.54 | 0.75 |
| 2.63 | 3.19 | 3.65 | 2.75 | 2.57 | 2.91 |
| 0.50 | 0.66 | 0.66 | 0.23 | 0.58 | 0.69 |
| 9.07 | 10.45 | 12.38 | 11.88 | 9.68 | 11.00 |
| 5.47 | 4.21 | 5.75 | 5.22 | 3.90 | 3.99 |
| 3.40 | 3.06 | 1.09 | 0.92 | 1.31 | 1.07 |
| 2.45 | 1.66 | 2.79 | 2.70 | 2.88 | 3.17 |
| 0.59 | 0.23 | 0.67 | 0.59 | 1.51 | 1.06 |
| 11.91 | 9.16 | 10.30 | 9.43 | 9.60 | 9.29 |
| 20.98 | 19.61 | 22.68 | 21.31 | 19.28 | 20.29 |
| 2.12 | 0.96 | 2.23 | 1.99 | 2.56 | 2.71 |
| 2.44 | 0.76 | 1.87 | 1.42 | 2.50 | 2.15 |
| 0.30 | 0.10 | 0.23 | 0.23 | 0.30 | 0.29 |
| 0.79 | 0.43 | 0.74 | 1.03 | 0.83 | 0.74 |
| 0.65 | 0.12 | 0.73 | 0.06 | 0.29 | 0.38 |
| 0.41 | 0.26 | 0.30 | 0.10 | 0.52 | 0.65 |
| 0.59 | 0.24 | 0.49 | 0.19 | 1.17 | 1.33 |
| 0.04 | 0.00 | 0.30 | 0.34 | 0.05 | 0.06 |
| 0.48 | 0.18 | 0.29 | 0.20 | 0.54 | 0.54 |
| 1.19 | 0.31 | 1.06 | 0.80 | 2.01 | 1.84 |
| 9.01 | 3.36 | 8.24 | 6.30 | 10.77 | 10.69 |
| 1.26 | 0.53 | 0.81 | 1.33 | 0.70 | 0.71 |
| 3.65 | 3.57 | 3.43 | 2.43 | 2.95 | 2.71 |
| 1.21 | 0.18 | 1.01 | 0.30 | 1.02 | 1.01 |
| 0.32 | 0.14 | 0.34 | 0.24 | 0.24 | 0.22 |
| 0.82 | 0.82 | 0.34 | 0.39 | 0.72 | 0.57 |
| 0.21 | 0.02 | 0.16 | 0.22 | 0.45 | 0.29 |
| 1.05 | 0.15 | 0.79 | 0.58 | 0.61 | 0.79 |
| 0.55 | 0.31 | 2.00 | 1.71 | 1.03 | 1.25 |
| 9.07 | 5.72 | 8.88 | 7.20 | 7.72 | 7.55 |

## REPORT ON OPERATIONS - SALES = 100%

| | 0% TO 11% | | 11% TO 21% | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 33.01 | 34.08 | 30.79 | 22.34 |
| Other chargeable materials | 6.15 | 7.24 | 5.83 | 3.33 |
| Outside services | 6.73 | 6.44 | 7.73 | 13.30 |
| TOTAL MATERIAL | 45.89 | 47.76 | 44.35 | 38.97 |
| FACTORY PAYROLL | 25.14 | 22.54 | 27.49 | 21.52 |
| FACTORY EXPENSES | 11.80 | 9.87 | 12.66 | 8.68 |
| TOTAL FACTORY COST OF PRODUCT | 82.83 | 80.17 | 84.50 | 69.17 |
| GROSS PROFIT | 17.17 | 19.83 | 15.50 | 30.83 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 6.73 | 5.33 | 6.76 | 6.73 |
| Selling expenses | 5.83 | 5.32 | 6.64 | 10.00 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 12.56 | 10.65 | 13.40 | 16.73 |
| INCOME BEFORE INTEREST EXPENSE | 4.61 | 9.18 | 2.10 | 14.10 |
| Interest expense | 1.72 | 0.89 | 2.32 | 2.91 |
| OPERATING INCOME (LOSS) | 2.89 | 8.29 | (0.22) | 11.19 |
| Other income | 1.48 | 4.02 | 0.88 | 0.65 |
| INCOME BEFORE INCOME TAXES | 4.37 | 12.31 | 0.66 | 11.84 |

## SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 3.44% | 3.78% | 3.05% | 1.78% |
| Film | 0.77 | 0.66 | 0.98 | 0.38 |
| Plates | 0.91 | 1.00 | 1.45 | 1.17 |
| Other chargeable materials | 1.03 | 1.80 | 0.35 | 0.00 |
| TOTAL OTHER CHARGEABLE MATERIALS | 6.15 | 7.24 | 5.83 | 3.33 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.65 | 0.22 | 0.09 | 0.00 |
| Offset preparation | 1.39 | 1.81 | 1.46 | 3.55 |
| Printing | 1.33 | 1.24 | 1.22 | 0.00 |
| Binding | 2.39 | 2.51 | 3.68 | 9.75 |
| Other outside services | 0.97 | 0.66 | 1.28 | 0.00 |
| TOTAL OUTSIDE SERVICES | 6.73 | 6.44 | 7.73 | 13.30 |

*** Information not submitted.

| 21% TO 41% |  | 41% TO 61% |  | OVER 61% |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 30.99 | 29.37 | 25.10 | 22.27 | 25.30 | 23.87 |
| 7.18 | 8.57 | 8.31 | 9.18 | 9.38 | 10.47 |
| 6.18 | 4.67 | 4.59 | 2.88 | 3.69 | 3.40 |
| 44.35 | 42.61 | 38.00 | 34.33 | 38.37 | 37.74 |
| 27.87 | 29.95 | 30.92 | 31.49 | 27.27 | 25.59 |
| 11.49 | 11.24 | 13.99 | 14.11 | 12.08 | 12.87 |
| 83.71 | 83.80 | 82.91 | 79.93 | 77.72 | 76.20 |
| 16.29 | 16.20 | 17.09 | 20.07 | 22.28 | 23.80 |
| 5.08 | 1.94 | 5.17 | 4.31 | 6.60 | 6.58 |
| 5.11 | 3.33 | 5.54 | 4.82 | 4.64 | 4.59 |
| 10.19 | 5.27 | 10.71 | 9.13 | 11.24 | 11.17 |
| 6.10 | 10.93 | 6.38 | 10.94 | 11.04 | 12.63 |
| 1.43 | 0.68 | 1.84 | 1.29 | 2.39 | 2.83 |
| 4.67 | 10.25 | 4.54 | 9.65 | 8.65 | 9.80 |
| 0.93 | 0.34 | 2.11 | 2.74 | 0.52 | 1.16 |
| 5.60 | 10.59 | 6.65 | 12.39 | 9.17 | 10.96 |

|  |  |  |  |  |  |
|---|---|---|---|---|---|
| 4.58% | 7.58% | 6.01% | 7.02% | 5.14% | 7.72% |
| 0.52 | 0.24 | 0.45 | 0.38 | 1.79 | 0.82 |
| 1.56 | 0.55 | 1.24 | 1.11 | 1.74 | 0.90 |
| 0.52 | 0.20 | 0.61 | 0.67 | 0.71 | 1.03 |
| 7.18 | 8.57 | 8.31 | 9.18 | 9.38 | 10.47 |
| 0.28 |  | 0.16 | 0.15 | 0.08 | 0.00 |
| 0.45 |  | 1.40 | 0.74 | 0.12 | 0.24 |
| 0.38 |  | 0.42 | 0.45 | 0.18 | 0.33 |
| 2.98 |  | 0.66 | 1.10 | 0.23 | 0.29 |
| 2.09 |  | 1.95 | 0.44 | 3.08 | 2.54 |
| 6.18 | *** | 4.59 | 2.88 | 3.69 | 3.40 |

SUPPORTING SCHEDULES - SALES = 100%

| | 0% TO 11% | | 11% TO 21% | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 1.45% | 1.39% | 1.35% | 0.00% |
| Direct wages | 16.58 | 14.16 | 18.02 | 18.02 |
| General factory salaries and wages | 2.41 | 2.63 | 3.27 | 0.24 |
| Packing, shipping and delivery wages | 0.75 | 0.67 | 0.95 | 0.68 |
| Payroll taxes | 1.34 | 0.86 | 1.93 | 1.44 |
| Employee benefits | 2.61 | 2.83 | 1.97 | 1.14 |
| TOTAL FACTORY PAYROLL | 25.14 | 22.54 | 27.49 | 21.52 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.18 | 0.18 | 0.11 | 0.08 |
| Depreciation - other | 2.61 | 2.39 | 2.72 | 1.67 |
| Taxes - real estate | 0.25 | 0.30 | 0.23 | 0.25 |
| Taxes - other | 0.18 | 0.15 | 0.21 | 0.07 |
| Insurance | 0.22 | 0.22 | 0.38 | 0.46 |
| Building rent | 0.78 | 0.44 | 1.40 | 0.42 |
| Utilities - heat, light, etc. | 1.23 | 1.09 | 1.73 | 1.30 |
| Equipment rental | 0.49 | 0.14 | 0.59 | 0.22 |
| Total Fixed Expenses | 5.94 | 4.91 | 7.37 | 4.47 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.18 | 1.72 | 2.22 | 2.00 |
| Packing, shipping and delivery expense | 0.85 | 0.91 | 0.96 | 0.58 |
| Repairs and maintenance | 1.61 | 1.26 | 1.18 | 0.94 |
| Other factory expenses | 1.22 | 1.07 | 0.93 | 0.69 |
| Total Other Expenses | 5.86 | 4.96 | 5.29 | 4.21 |
| TOTAL FACTORY EXPENSES | 11.80 | 9.87 | 12.66 | 8.68 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.42 | 0.85 | 1.82 | 1.07 |
| Salaries - office | 1.27 | 1.14 | 1.67 | 1.07 |
| Payroll taxes | 0.13 | 0.12 | 0.24 | 0.12 |
| Employee benefits | 0.57 | 0.30 | 0.34 | 0.42 |
| Bad debts | 0.42 | 0.27 | 0.46 | (0.02) |
| Office supplies and expenses | 0.29 | 0.23 | 0.31 | 0.07 |
| Professional fees | 0.27 | 0.20 | 0.45 | 0.62 |
| Taxes - business | 0.15 | 0.05 | 0.11 | 0.32 |
| Telephone | 0.25 | 0.27 | 0.46 | 0.43 |
| Other administrative expenses | 1.96 | 1.90 | 0.90 | 2.63 |
| TOTAL ADMINISTRATIVE EXPENSES | 6.73 | 5.33 | 6.76 | 6.73 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.69 | 0.44 | 0.84 | 2.71 |
| Salaries and commissions - salesmen | 2.84 | 2.71 | 3.04 | 5.68 |
| Salaries - sales office clerical | 0.68 | 0.70 | 0.43 | 0.00 |
| Payroll taxes | 0.15 | 0.12 | 0.20 | 0.25 |
| Employee benefits | 0.23 | 0.36 | 0.18 | 0.20 |
| Advertising | 0.25 | 0.26 | 0.20 | 0.02 |
| Travel and entertainment | 0.58 | 0.48 | 0.87 | 0.62 |
| Other selling expenses | 0.41 | 0.25 | 0.88 | 0.52 |
| TOTAL SELLING EXPENSES | 5.83 | 5.32 | 6.64 | 10.00 |

| 21% TO 41% | | 41% TO 61% | | OVER 61% | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 1.36% | 1.05% | 0.87% | 0.54% | 2.12% | 2.17% |
| 17.80 | 22.36 | 21.17 | 23.38 | 16.55 | 16.43 |
| 3.57 | 1.51 | 3.59 | 2.62 | 2.68 | 1.71 |
| 0.96 | 0.62 | 0.85 | 0.45 | 0.64 | 0.78 |
| 1.77 | 1.82 | 2.04 | 2.08 | 1.69 | 1.59 |
| 2.41 | 2.59 | 2.40 | 2.42 | 3.59 | 2.91 |
| 27.87 | 29.95 | 30.92 | 31.49 | 27.27 | 25.59 |
| | | | | | |
| 0.23 | 0.17 | 0.24 | 0.19 | 0.18 | 0.18 |
| 2.12 | 2.40 | 3.13 | 4.16 | 3.09 | 3.55 |
| 0.28 | 0.30 | 0.22 | 0.20 | 0.13 | 0.15 |
| 0.08 | 0.04 | 0.20 | 0.26 | 0.18 | 0.13 |
| 0.25 | 0.14 | 0.47 | 0.16 | 0.21 | 0.24 |
| 0.33 | 0.75 | 0.78 | 0.98 | 0.35 | 0.49 |
| 1.46 | 1.82 | 2.26 | 1.80 | 1.61 | 1.85 |
| 0.27 | 0.37 | 0.38 | 0.13 | 0.35 | 0.42 |
| 5.02 | 5.99 | 7.68 | 7.88 | 6.10 | 7.01 |
| 3.01 | 2.42 | 3.52 | 3.46 | 2.34 | 2.48 |
| 1.87 | 1.74 | 0.65 | 0.59 | 0.83 | 0.68 |
| 1.25 | 0.95 | 1.74 | 1.78 | 1.83 | 2.03 |
| 0.34 | 0.14 | 0.40 | 0.40 | 0.98 | 0.67 |
| 6.47 | 5.25 | 6.31 | 6.23 | 5.98 | 5.86 |
| 11.49 | 11.24 | 13.99 | 14.11 | 12.08 | 12.87 |
| | | | | | |
| 1.20 | 0.56 | 1.45 | 1.33 | 1.61 | 1.72 |
| 1.38 | 0.44 | 1.17 | 0.94 | 1.52 | 1.29 |
| 0.17 | 0.06 | 0.14 | 0.16 | 0.19 | 0.18 |
| 0.42 | 0.25 | 0.48 | 0.71 | 0.49 | 0.43 |
| 0.37 | 0.07 | 0.42 | 0.06 | 0.18 | 0.24 |
| 0.23 | 0.15 | 0.17 | 0.07 | 0.34 | 0.43 |
| 0.34 | 0.14 | 0.31 | 0.13 | 0.70 | 0.80 |
| 0.02 | 0.00 | 0.19 | 0.24 | 0.03 | 0.04 |
| 0.27 | 0.10 | 0.18 | 0.14 | 0.33 | 0.34 |
| 0.68 | 0.17 | 0.66 | 0.53 | 1.21 | 1.11 |
| 5.08 | 1.94 | 5.17 | 4.31 | 6.60 | 6.58 |
| | | | | | |
| 0.73 | 0.31 | 0.52 | 0.90 | 0.42 | 0.43 |
| 2.04 | 2.09 | 2.08 | 1.61 | 1.75 | 1.62 |
| 0.69 | 0.10 | 0.61 | 0.17 | 0.59 | 0.60 |
| 0.18 | 0.08 | 0.21 | 0.16 | 0.14 | 0.13 |
| 0.45 | 0.48 | 0.22 | 0.26 | 0.41 | 0.31 |
| 0.11 | 0.01 | 0.10 | 0.14 | 0.30 | 0.19 |
| 0.59 | 0.08 | 0.49 | 0.39 | 0.39 | 0.52 |
| 0.32 | 0.18 | 1.31 | 1.19 | 0.64 | 0.79 |
| 5.11 | 3.33 | 5.54 | 4.82 | 4.64 | 4.59 |

## BALANCE SHEET

| | 0% TO 11% | | 11% TO 21% | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 3.47% | 2.98% | 1.54% | 2.64% |
| Receivables | 31.09 | 35.48 | 34.48 | 40.86 |
| Inventories | 21.51 | 16.37 | 20.42 | 20.28 |
| Other current assets | 3.74 | 5.74 | 4.02 | 6.45 |
| TOTAL CURRENT ASSETS | 59.81 | 60.57 | 60.46 | 70.23 |
| FIXED ASSETS | | | | |
| Real estate | 7.93 | 8.24 | 5.17 | 8.11 |
| Less: Accumulated depreciation | 2.31 | 2.73 | 1.66 | 1.50 |
| | 5.62 | 5.51 | 3.51 | 6.61 |
| Machinery and equipment | 57.30 | 56.98 | 63.48 | 43.17 |
| Less: Accumulated depreciation | 27.90 | 27.32 | 32.83 | 22.16 |
| | 29.40 | 29.66 | 30.65 | 21.01 |
| Other fixed assets | 3.14 | 1.78 | 5.34 | 2.43 |
| Less: Accumulated depreciation | 1.50 | 0.87 | 1.46 | 1.39 |
| | 1.64 | 0.91 | 3.88 | 1.04 |
| NET FIXED ASSETS | 36.66 | 36.08 | 38.04 | 28.66 |
| OTHER ASSETS | 3.53 | 3.35 | 1.50 | 1.11 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 10.14 | 8.91 | 6.39 | 5.57 |
| Accounts payable | 14.55 | 15.15 | 15.02 | 14.11 |
| Other current liabilities | 9.28 | 5.84 | 6.48 | 7.22 |
| TOTAL CURRENT LIABILITIES | 33.97 | 29.90 | 27.89 | 26.90 |
| LONG-TERM LIABILITIES | 22.12 | 18.85 | 30.51 | 25.59 |
| TOTAL LIABILITIES | 56.09 | 48.75 | 58.40 | 52.49 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 43.91 | 51.25 | 41.60 | 47.51 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.76 | 2.03 | 2.17 | 2.61 |
| QUICK RATIO | 1.13 | 1.48 | 1.44 | 1.86 |
| TOTAL LIABILITIES TO EQUITY | 1.28 | 0.95 | 1.40 | 1.10 |
| LONG-TERM LIABILITIES TO EQUITY | 0.50 | 0.37 | 0.73 | 0.54 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.49 | 0.48 | 0.52 | 0.51 |

| 21% TO 41% |  | 41% TO 61% |  | OVER 61% |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 1.40% | 4.68% | 4.95% | 7.59% | 3.87% | 4.83% |
| 26.25 | 21.55 | 25.99 | 16.77 | 28.89 | 24.71 |
| 21.46 | 19.56 | 13.85 | 8.22 | 11.66 | 9.72 |
| 9.03 | 8.37 | 6.96 | 15.84 | 2.67 | 3.89 |
| 58.14 | 54.16 | 51.75 | 48.42 | 47.09 | 43.15 |
|  |  |  |  |  |  |
| 14.91 | 13.82 | 13.82 | 8.49 | 15.44 | 14.45 |
| 3.07 | 1.04 | 4.93 | 1.69 | 4.41 | 3.92 |
| 11.84 | 12.78 | 8.89 | 6.80 | 11.03 | 10.53 |
| 50.32 | 50.11 | 71.17 | 59.76 | 62.34 | 65.25 |
| 25.52 | 20.99 | 39.90 | 25.00 | 29.00 | 27.52 |
| 24.80 | 29.12 | 31.27 | 34.76 | 33.34 | 37.73 |
| 4.28 | 1.57 | 3.87 | 0.95 | 5.57 | 3.13 |
| 1.94 | 1.17 | 2.81 | 0.53 | 1.04 | 0.74 |
| 2.34 | 0.40 | 1.06 | 0.42 | 4.53 | 2.39 |
| 38.98 | 42.30 | 41.22 | 41.98 | 48.90 | 50.65 |
| 2.88 | 3.54 | 7.03 | 9.60 | 4.01 | 6.20 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
|  |  |  |  |  |  |
| 5.89 | 9.21 | 4.61 | 2.48 | 4.58 | 5.08 |
| 11.47 | 7.86 | 14.12 | 8.17 | 9.45 | 9.37 |
| 8.62 | 7.14 | 10.25 | 7.87 | 9.61 | 8.96 |
| 25.98 | 24.21 | 28.98 | 18.52 | 23.64 | 23.41 |
| 26.68 | 17.41 | 24.69 | 19.68 | 31.27 | 30.12 |
| 52.66 | 41.62 | 53.67 | 38.20 | 54.91 | 53.53 |
| 47.34 | 58.38 | 46.33 | 61.80 | 45.09 | 46.47 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
|  |  |  |  |  |  |
| 2.24 | 2.24 | 1.79 | 2.61 | 1.99 | 1.84 |
| 1.41 | 1.43 | 1.31 | 2.17 | 1.50 | 1.43 |
| 1.11 | 0.71 | 1.16 | 0.62 | 1.22 | 1.15 |
| 0.56 | 0.30 | 0.53 | 0.32 | 0.69 | 0.65 |
| 0.51 | 0.42 | 0.56 | 0.42 | 0.47 | 0.42 |

## SIGNIFICANT FACTS

| | 0% TO 11% | | 11% TO 21% | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 51,318 | $ 70,402 | $ 44,327 | $ 54,123 |
| Average assets per factory employee (Excluding Executives) | 65,693 | 91,720 | 57,331 | 69,599 |
| Average net worth per employee - All employees | 22,786 | 35,616 | 14,983 | 25,480 |
| Average gross plant investment per factory employee (Excluding Executives) | 41,843 | 51,311 | 39,968 | 42,575 |
| Net worth percentage of fixed assets | 142.82% | 152.12% | 141.55% | 182.71% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 82.99% | 83.03% | 82.32% | 79.45% |
| Percent administrative - All employees | 8.62 | 9.03 | 10.26 | 8.79 |
| Percent sales - All employees | 8.39 | 7.94 | 7.42 | 11.76 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 84,912 | $ 102,841 | $ 77,549 | $ 107,220 |
| Sales per factory employee | 103,310 | 125,778 | 95,541 | 138,351 |
| Sales less material per factory employee | 54,904 | 64,259 | 52,414 | 79,997 |
| Sales per administrative employee | 1,125,009 | 1,435,944 | 869,815 | 1,207,939 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 90,645 | 110,331 | 83,242 | 114,712 |
| Sales per factory employee | 108,367 | 133,888 | 98,502 | 138,351 |
| Sales less material per factory employee | 57,541 | 68,275 | 54,007 | 79,997 |
| SALES PER SALESMAN | 1,149,734 | 1,086,429 | 939,290 | 1,178,000 |
| SALES TO CURRENT ASSETS | 328% | 308% | 348% | 286% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 33.12% | 29.29% | 36.27% | 33.03% |
| Factory payroll percentage of gross plant investment | 72.17 | 61.63 | 92.05 | 111.50 |
| Payroll per employee - All employees | $ 27,314 | $ 29,349 | $ 26,689 | $ 33,696 |
| Payroll per factory employee | 25,075 | 27,281 | 24,100 | 27,247 |
| Payroll per administrative employee | 32,902 | 25,891 | 29,978 | 32,193 |
| Payroll per sales employee | 50,308 | 62,560 | 49,406 | 91,486 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 21,911 | $ 24,234 | $ 21,293 | $ 26,491 |
| Payroll per factory employee | 20,805 | 22,712 | 20,261 | 23,813 |
| Payroll per administrative employee | 15,256 | 15,190 | 16,339 | 14,790 |
| Payroll per sales employee | 43,369 | 56,108 | 41,947 | 77,025 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 49,193 | 38,600 | 48,478 | 72,201 |
| Payroll per factory executive | 29,492 | 34,669 | 22,950 | 0 |
| Payroll per administrative executive | 65,147 | 49,974 | 61,350 | 67,218 |
| Payroll per sales executive | 44,747 | 33,876 | 39,551 | 81,501 |
| RECEIVABLES | | | | |
| Collection period | 69.6 | 93.4 | 69.7 | 77.5 |
| PROFIT | | | | |
| Gross profit percentage of sales | 17.17% | 19.83% | 15.50% | 30.83% |
| Average gross profit per factory employee | $ 18,964 | $ 26,573 | $ 16,466 | $ 40,812 |
| Income before taxes percentage of sales | 4.37% | 12.31% | 0.66% | 11.84% |
| Average income before taxes per employee | $ 4,747 | $ 13,522 | $ 864 | $ 11,614 |

| 21% TO 41% | | 41% TO 61% | | OVER 61% | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 82,446 | $ 160,338 | $ 36,907 | $ 48,493 | $ 37,895 | $ 47,260 |
| 175,414 | 453,925 | 41,832 | 53,135 | 46,128 | 57,554 |
| 43,115 | 93,832 | 18,383 | 39,976 | 15,432 | 18,927 |
| 109,246 | 282,563 | 34,739 | 35,643 | 38,808 | 48,196 |
| 128.85% | 150.52% | 120.84% | 154.11% | 104.21% | 104.34% |
| 79.45% | 71.48% | 89.40% | 93.08% | 86.22% | 86.42% |
| 9.74 | 10.41 | 5.52 | 4.33 | 8.12 | 8.28 |
| 10.81 | 18.11 | 5.08 | 2.59 | 5.66 | 5.30 |
| $ 136,889 | $ 270,188 | $ 68,648 | $ 67,582 | $ 65,468 | $ 69,503 |
| 217,172 | 504,036 | 76,990 | 73,009 | 76,369 | 81,113 |
| 123,355 | 294,375 | 47,159 | 47,164 | 46,303 | 49,497 |
| 1,421,333 | 2,758,328 | 1,423,529 | 1,630,981 | 833,986 | 871,475 |
| 159,657 | 338,480 | 70,959 | 69,100 | 70,486 | 75,086 |
| 295,878 | 769,721 | 78,499 | 73,883 | 81,379 | 86,472 |
| 169,516 | 450,288 | 48,088 | 47,686 | 49,152 | 52,572 |
| 3,454,032 | 3,764,286 | 3,128,863 | 5,807,500 | 3,076,945 | 2,428,700 |
| 311% | 314% | 397% | 307% | 416% | 380% |
| 35.11% | 34.32% | 37.79% | 37.75% | 34.38% | 32.30% |
| 72.64 | 76.21 | 70.08 | 66.18 | 64.99 | 50.78 |
| $ 47,979 | $ 96,792 | $ 25,709 | $ 25,393 | $ 21,953 | $ 21,825 |
| 61,185 | 149,927 | 23,426 | 22,513 | 20,116 | 19,886 |
| 33,850 | 34,932 | 38,026 | 44,911 | 30,863 | 31,733 |
| 47,542 | 53,852 | 45,739 | 58,428 | 46,554 | 48,757 |
| $ 42,381 | $ 93,249 | $ 20,758 | $ 19,969 | $ 16,112 | $ 16,158 |
| 66,963 | 181,010 | 19,883 | 19,140 | 15,272 | 15,350 |
| 16,748 | 15,080 | 17,454 | 16,710 | 15,147 | 14,118 |
| 35,054 | 39,532 | 36,242 | 41,274 | 38,921 | 41,322 |
| 59,342 | 52,709 | 70,572 | 96,678 | 43,827 | 43,832 |
| 40,477 | 40,960 | 47,426 | 46,986 | 28,257 | 25,174 |
| 80,500 | 68,323 | 91,339 | 131,594 | 64,502 | 68,132 |
| 89,156 | 97,560 | 59,205 | 92,245 | 54,162 | 54,689 |
| 56.1 | 47.6 | 48.8 | 44.2 | 56.3 | 59.1 |
| 16.29% | 16.20% | 17.09% | 20.07% | 22.28% | 23.80% |
| $ 52,738 | $ 137,962 | $ 13,252 | $ 14,588 | $ 18,247 | $ 20,709 |
| 5.60% | 10.59% | 6.65% | 12.39% | 9.17% | 10.96% |
| $ 10,389 | $ 28,470 | $ 4,399 | $ 8,232 | $ 6,051 | $ 7,527 |

RETURN ON INVESTMENT - PER $100 OF SALES

| | 0% TO 11% | | 11% TO 21% | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 1.77 | $ 1.50 | $ 0.74 | $ 1.37 |
| Receivables | 18.63 | 25.29 | 18.42 | 20.80 |
| Inventories | 11.76 | 9.35 | 9.79 | 10.55 |
| Marketable securities | 0.79 | 1.23 | 0.76 | 0.00 |
| Other current assets | 1.15 | 2.25 | 1.51 | 3.44 |
| | 34.10 | 39.62 | 31.22 | 36.16 |
| Plant Investment: | | | | |
| Land and building | 5.08 | 4.53 | 2.75 | 3.94 |
| Machinery and equipment | 32.55 | 32.74 | 32.96 | 21.64 |
| Other fixed assets | 1.53 | 0.97 | 4.45 | 1.23 |
| | 39.16 | 38.24 | 40.16 | 26.81 |
| Non-Current Assets | 2.03 | 2.10 | 0.90 | 0.54 |
| TOTAL INVESTMENT | 75.29 | 79.96 | 72.28 | 63.51 |
| INVESTMENT TURNOVER PER $100 OF SALES | 132.82% | 125.06% | 138.35% | 157.46% |
| EARNINGS | | | | |
| Cost of Product | $82.83 | $80.17 | $84.50 | $69.17 |
| Selling Expenses | 5.83 | 5.32 | 6.64 | 10.00 |
| Administrative Expenses | 6.73 | 5.33 | 6.76 | 6.73 |
| | 95.39 | 90.82 | 97.90 | 85.90 |
| Income Before Interest, Other Income, and Taxes | 4.61 | 9.18 | 2.10 | 14.10 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 6.12% | 11.48% | 2.91% | 22.20% |

| 21% TO 41% | | 41% TO 61% | | OVER 61% | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 0.19 | $ 2.72 | $ 3.14 | $ 5.83 | $ 2.21 | $ 3.07 |
| 14.98 | 13.01 | 12.97 | 11.88 | 14.80 | 15.31 |
| 12.74 | 11.79 | 6.56 | 5.71 | 5.74 | 5.66 |
| 0.81 | 2.84 | 4.25 | 11.32 | 0.98 | 1.76 |
| 6.63 | 2.15 | 0.67 | 0.67 | 0.75 | 0.87 |
| 35.35 | 32.51 | 27.59 | 35.41 | 24.48 | 26.67 |
| 9.05 | 8.41 | 7.13 | 5.67 | 8.73 | 10.04 |
| 29.92 | 30.21 | 36.40 | 41.52 | 37.41 | 46.28 |
| 2.25 | 0.93 | 1.57 | 0.60 | 2.54 | 1.47 |
| 41.22 | 39.55 | 45.10 | 47.79 | 48.68 | 57.79 |
| 2.17 | 2.09 | 4.38 | 7.69 | 2.60 | 4.26 |
| 78.74 | 74.15 | 77.07 | 90.89 | 75.76 | 88.72 |
| 127.00% | 134.86% | 129.75% | 110.02% | 132.00% | 112.71% |
| $83.71 | $83.80 | $82.91 | $79.93 | $77.72 | $76.20 |
| 5.11 | 3.33 | 5.54 | 4.82 | 4.64 | 4.59 |
| 5.08 | 1.94 | 5.17 | 4.31 | 6.60 | 6.58 |
| 93.90 | 89.07 | 93.62 | 89.06 | 88.96 | 87.37 |
| 6.10 | 10.93 | 6.38 | 10.94 | 11.04 | 12.63 |
| 7.75% | 14.74% | 8.28% | 12.04% | 14.57% | 14.24% |

## ABSOLUTE DATA HEATSET WEB

|  | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** |  |  |
|---|---|---|---|---|
|  |  | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL FIRMS | 80 | $11,914,000 | $21,082,000 | $1,292,000 |
| TOTAL - PROFIT LEADERS* | 27 | 12,642,000 | 20,976,000 | 2,389,000 |
| BY SIZE OF FIRM |  |  |  |  |
| ALL FIRMS |  |  |  |  |
| $1,500,000-$5,000,000 | 12 | 2,063,000 | 3,641,000 | 93,000 |
| $5,000,000-$10,000,000 | 14 | 5,285,000 | 7,375,000 | 173,000 |
| $10,000,000-$20,000,000 | 23 | 8,054,000 | 14,419,000 | 983,000 |
| Over $20,000,000 | 30 | 22,291,000 | 40,249,000 | 2,571,000 |
| PROFIT LEADERS |  |  |  |  |
| $1,500,000-$5,000,000 | 2 | 1,973,000 | 3,119,000 | 301,000 |
| $5,000,000-$10,000,000 | 4 | 5,843,000 | 7,535,000 | 1,080,000 |
| $10,000,000-$20,000,000 | 9 | 9,699,000 | 15,036,000 | 1,890,000 |
| Over $20,000,000 | 11 | 20,581,000 | 35,832,000 | 3,866,000 |
| BY PRODUCT SPECIALTY |  |  |  |  |
| ALL FIRMS |  |  |  |  |
| Commercial and Advertising | 36 | 10,129,000 | 17,361,000 | 1,008,000 |
| Magazine and Periodical | 32 | 13,831,000 | 26,387,000 | 1,814,000 |
| Catalog and Directory | 2 | 12,439,000 | 15,391,000 | 720,000 |
| Book | 5 | 15,554,000 | 21,450,000 | 1,533,000 |
| PROFIT LEADERS |  |  |  |  |
| Commercial and Advertising | 13 | 10,908,000 | 18,297,000 | 2,215,000 |
| Magazine and Periodical | 10 | 16,359,000 | 25,878,000 | 2,874,000 |
| Book | 3 | 10,633,000 | 19,873,000 | 1,873,000 |
| BY PERCENTAGE OF PAPER SUPPLIED |  |  |  |  |
| ALL FIRMS |  |  |  |  |
| 0% To 11% | 23 | 10,631,000 | 18,762,000 | 1,089,000 |
| 11% To 21% | 9 | 10,668,000 | 19,599,000 | 609,000 |
| 21% To 41% | 7 | 18,628,000 | 28,583,000 | 1,702,000 |
| 41% To 61% | 8 | 13,029,000 | 23,754,000 | 1,622,000 |
| Over 61% | 9 | 24,211,000 | 46,050,000 | 3,724,000 |
| PROFIT LEADERS |  |  |  |  |
| 0% To 11% | 7 | 16,624,000 | 29,883,000 | 3,358,000 |
| 11% To 21% | 2 | 5,479,000 | 10,484,000 | 1,418,000 |
| 21% To 41% | 2 | 19,443,000 | 32,227,000 | 3,414,000 |
| 41% To 61% | 3 | 17,419,000 | 26,187,000 | 3,309,000 |
| Over 61% | 5 | 17,060,000 | 24,433,000 | 2,568,000 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 34.

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**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# Quick Printers

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Printing Industries of America Inc.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

Edited and Prepared by H. R. Margolis Company,
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Printed in U.S.A.

Dear Quick Printers:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR QUICK PRINTERS. This year 29 firms classified as quick printers in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance. Among these respondents, 12 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the ratios and statistics by sales volume - for example, sales to $250,000, sales from $250,000 to $500,000, etc.; and by location for example, Metropolitan Area and Non-Metropolitan Area. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume.*

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
Printing Industries of America, Inc.
1730 N. Lynn Street
Arlington, VA 22209 — 703-841-8136

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If you would like more information concerning the American Quick Printing Association, Printing Industries of America, Inc. or questions about the Ratio Studies, please contact:

Donald M. Piercy
Executive Director
American Quick Printing Association

Printing Industries of the Gulf Coast, Inc.
1324 West Clay Street
Houston, Texas 77019
(713) 961-4281

## REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM 0-$250,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 16.90 | 16.49 | 16.11 | 14.39 |
| Other chargeable materials | 4.84 | 4.67 | 5.39 | 5.62 |
| Outside services | 7.83 | 9.02 | 7.74 | 6.14 |
| TOTAL MATERIAL | 29.57 | 30.18 | 29.24 | 26.15 |
| FACTORY PAYROLL | 23.42 | 22.21 | 23.21 | 23.18 |
| FACTORY EXPENSES | 20.62 | 15.69 | 20.49 | 19.12 |
| TOTAL FACTORY COST OF PRODUCT | 73.61 | 68.08 | 72.94 | 68.45 |
| GROSS PROFIT | 26.39 | 31.92 | 27.06 | 31.55 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 11.83 | 10.62 | 10.80 | 8.50 |
| Selling expenses | 5.87 | 4.89 | 5.45 | 4.76 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 17.70 | 15.51 | 16.25 | 13.26 |
| INCOME BEFORE INTEREST EXPENSE | 8.69 | 16.41 | 10.81 | 18.29 |
| Interest expense | 1.67 | 1.28 | 1.83 | 1.75 |
| OPERATING INCOME | 7.02 | 15.13 | 8.98 | 16.54 |
| Other income (expense) | 0.43 | 0.37 | (0.72) | 0.00 |
| INCOME BEFORE INCOME TAXES | 7.45 | 15.50 | 8.26 | 16.54 |

## SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 0.87% | 0.71% | 1.17% | 1.68% |
| Film | 0.94 | 0.84 | 0.54 | 0.77 |
| Plates | 1.93 | 2.42 | 2.96 | 2.42 |
| Other chargeable materials | 1.10 | 0.70 | 0.72 | 0.75 |
| TOTAL OTHER CHARGEABLE MATERIALS | 4.84 | 4.67 | 5.39 | 5.62 |
| OUTSIDE SERVICES | | | | |
| Composition | 1.05 | 0.98 | 1.14 | 0.36 |
| Offset preparation | 0.71 | 0.21 | 0.33 | 0.00 |
| Printing | 4.18 | 6.04 | 3.94 | 5.33 |
| Binding | 0.25 | 0.32 | 0.31 | 0.16 |
| Other outside services | 1.64 | 1.47 | 2.02 | 0.29 |
| TOTAL OUTSIDE SERVICES | 7.83 | 9.02 | 7.74 | 6.14 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
*** Information not submitted.

| SALES FROM $250,000-$500,000 | | SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 18.20 | 17.15 | 16.95 | 19.58 | 16.91 | 19.03 |
| 5.55 | 5.04 | 2.97 | 1.37 | 4.73 | 4.77 |
| 8.39 | 9.25 | 10.25 | 21.55 | 3.50 | 4.88 |
| 32.14 | 31.44 | 30.17 | 42.50 | 25.14 | 28.68 |
| 25.17 | 23.21 | 21.82 | 18.23 | 23.45 | 22.31 |
| 21.25 | 15.98 | 20.35 | 5.78 | 20.31 | 15.03 |
| 78.56 | 70.63 | 72.34 | 66.51 | 68.90 | 66.02 |
| 21.44 | 29.37 | 27.66 | 33.49 | 31.10 | 33.98 |
| 8.96 | 8.47 | 17.53 | 21.07 | 11.42 | 8.68 |
| 4.93 | 6.54 | 7.70 | 4.62 | 6.00 | 3.90 |
| 13.89 | 15.01 | 25.23 | 25.69 | 17.42 | 12.58 |
| 7.55 | 14.36 | 2.43 | 7.80 | 13.68 | 21.40 |
| 1.37 | 1.88 | 1.96 | 0.47 | 1.24 | 0.03 |
| 6.18 | 12.48 | 0.47 | 7.33 | 12.44 | 21.37 |
| 0.26 | 0.01 | 2.54 | 1.38 | 0.97 | 0.85 |
| 6.44 | 12.49 | 3.01 | 8.71 | 13.41 | 22.22 |

| | | | | | |
|---|---|---|---|---|---|
| 0.71% | 0.33% | 0.70% | 0.02% | 0.77% | 0.63% |
| 0.55 | 0.50 | 0.94 | 0.00 | 1.28 | 1.80 |
| 2.83 | 3.92 | 0.70 | 1.23 | 1.36 | 1.02 |
| 1.46 | 0.29 | 0.63 | 0.12 | 1.32 | 1.32 |
| 5.55 | 5.04 | 2.97 | 1.37 | 4.73 | 4.77 |
| 0.47 | 0.04 | 1.83 | 3.26 | 0.00 | |
| 2.29 | 1.58 | 0.18 | 0.49 | 0.00 | |
| 4.43 | 3.87 | 5.64 | 12.24 | 3.50 | |
| 0.38 | 2.39 | 0.15 | 0.41 | 0.00 | |
| 0.82 | 1.37 | 2.45 | 5.15 | 0.00 | |
| 8.39 | 9.25 | 10.25 | 21.55 | 3.50 | *** |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM 0-$250,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.00% | 3.06% | 2.86% | 4.33% |
| Direct wages | 12.38 | 10.08 | 14.65 | 12.13 |
| General factory salaries and wages | 5.40 | 6.54 | 3.78 | 4.72 |
| Packing, shipping and delivery wages | 0.24 | 0.48 | 0.00 | 0.00 |
| Payroll taxes | 1.42 | 1.07 | 1.25 | 0.95 |
| Employee benefits | 0.98 | 0.98 | 0.66 | 1.05 |
| TOTAL FACTORY PAYROLL | 23.42 | 22.21 | 23.21 | 23.18 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.01 | 0.00 | 0.00 | 0.00 |
| Depreciation - other | 3.43 | 3.34 | 2.98 | 3.97 |
| Taxes - real estate | 0.04 | 0.00 | 0.00 | 0.00 |
| Taxes - other | 0.19 | 0.17 | 0.18 | 0.13 |
| Insurance | 0.81 | 0.80 | 1.22 | 1.24 |
| Building rent | 3.66 | 3.04 | 4.33 | 3.32 |
| Utilities - heat, light, etc. | 0.91 | 0.95 | 1.08 | 1.26 |
| Equipment rental | 7.74 | 5.14 | 7.42 | 7.22 |
| Total Fixed Expenses | 16.79 | 13.44 | 17.21 | 17.14 |
| Other Expenses | | | | |
| Factory supplies and expense | 0.76 | 0.60 | 0.97 | 0.77 |
| Packing, shipping and delivery expense | 0.70 | 0.41 | 0.15 | 0.12 |
| Repairs and maintenance | 1.92 | 1.04 | 1.74 | 0.84 |
| Other factory expenses | 0.45 | 0.20 | 0.42 | 0.25 |
| Total Other Expenses | 3.83 | 2.25 | 3.28 | 1.98 |
| TOTAL FACTORY EXPENSES | 20.62 | 15.69 | 20.49 | 19.12 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 4.56 | 4.05 | 4.05 | 2.30 |
| Salaries - office | 2.27 | 2.19 | 1.83 | 2.15 |
| Payroll taxes | 0.38 | 0.27 | 0.19 | 0.16 |
| Employee benefits | 0.22 | 0.15 | 0.25 | 0.06 |
| Bad debts | 0.30 | 0.19 | 0.31 | 0.24 |
| Office supplies and expenses | 0.67 | 0.69 | 0.51 | 0.52 |
| Professional fees | 0.57 | 0.46 | 0.55 | 0.31 |
| Taxes - business | 0.30 | 0.54 | 0.35 | 0.69 |
| Telephone | 0.87 | 0.56 | 0.97 | 0.61 |
| Other administrative expenses | 1.69 | 1.52 | 1.79 | 1.46 |
| TOTAL ADMINISTRATIVE EXPENSES | 11.83 | 10.62 | 10.80 | 8.50 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.06 | 1.04 | 1.37 | 0.94 |
| Salaries and commissions - salesmen | 0.50 | 0.60 | 0.00 | 0.00 |
| Salaries - sales office clerical | 0.70 | 0.29 | 0.63 | 0.51 |
| Payroll taxes | 0.12 | 0.11 | 0.04 | 0.05 |
| Employee benefits | 0.08 | 0.07 | 0.05 | 0.09 |
| Advertising | 1.75 | 1.20 | 1.64 | 1.44 |
| Travel and entertainment | 0.97 | 0.72 | 1.18 | 0.68 |
| Other selling expenses | 0.69 | 0.86 | 0.54 | 1.05 |
| TOTAL SELLING EXPENSES | 5.87 | 4.89 | 5.45 | 4.76 |

| SALES FROM $250,000-$500,000 |  | SALES FROM $500,000-$1,500,000 |  | SALES FROM $1,500,000-$5,000,000 |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 4.26% | 2.75% | 3.32% | 1.57% | 0.72% | 1.02% |
| 12.90 | 9.40 | 7.90 | 0.00 | 11.40 | 14.73 |
| 4.83 | 9.38 | 7.93 | 14.11 | 7.51 | 1.56 |
| 0.05 | 0.00 | 0.14 | 0.00 | 1.45 | 2.90 |
| 1.63 | 1.26 | 1.85 | 2.04 | 0.88 | 0.29 |
| 1.50 | 0.42 | 0.68 | 0.51 | 1.49 | 1.81 |
| 25.17 | 23.21 | 21.82 | 18.23 | 23.45 | 22.31 |
|  |  |  |  |  |  |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.06 | 0.00 |
| 3.72 | 4.22 | 3.76 | 2.53 | 3.78 | 1.41 |
| 0.05 | 0.00 | 0.06 | 0.00 | 0.08 | 0.00 |
| 0.12 | 0.00 | 0.25 | 0.61 | 0.26 | 0.00 |
| 0.70 | 0.81 | 0.27 | 0.00 | 0.59 | 0.29 |
| 3.23 | 4.01 | 3.25 | 1.47 | 3.02 | 2.78 |
| 0.76 | 1.09 | 0.80 | 0.33 | 0.79 | 0.47 |
| 8.42 | 2.79 | 8.47 | 0.00 | 6.50 | 6.40 |
| 17.00 | 12.92 | 16.86 | 4.94 | 15.08 | 11.35 |
| 0.82 | 0.65 | 0.38 | 0.17 | 0.56 | 0.46 |
| 2.01 | 0.60 | 0.25 | 0.37 | 0.73 | 1.14 |
| 1.21 | 1.56 | 2.34 | 0.30 | 3.11 | 1.86 |
| 0.21 | 0.25 | 0.52 | 0.00 | 0.83 | 0.22 |
| 4.25 | 3.06 | 3.49 | 0.84 | 5.23 | 3.68 |
| 21.25 | 15.98 | 20.35 | 5.78 | 20.31 | 15.03 |
|  |  |  |  |  |  |
| 4.66 | 4.94 | 6.75 | 11.10 | 2.74 | 1.29 |
| 1.05 | 0.00 | 3.77 | 3.78 | 3.47 | 2.90 |
| 0.40 | 0.33 | 0.71 | 0.75 | 0.38 | 0.07 |
| 0.17 | 0.20 | 0.20 | 0.22 | 0.31 | 0.30 |
| 0.14 | 0.00 | 0.40 | 0.02 | 0.41 | 0.44 |
| 0.51 | 0.61 | 0.54 | 0.10 | 1.61 | 1.85 |
| 0.54 | 0.62 | 0.66 | 0.64 | 0.51 | 0.58 |
| 0.14 | 0.23 | 0.35 | 0.55 | 0.32 | 0.41 |
| 0.68 | 0.67 | 0.99 | 0.43 | 0.69 | 0.43 |
| 0.67 | 0.87 | 3.16 | 3.48 | 0.98 | 0.41 |
| 8.96 | 8.47 | 17.53 | 21.07 | 11.42 | 8.68 |
|  |  |  |  |  |  |
| 0.30 | 0.00 | 1.87 | 2.92 | 0.26 | 0.52 |
| 1.21 | 2.15 | 0.00 | 0.00 | 1.54 | 1.45 |
| 0.15 | 0.00 | 1.09 | 0.00 | 1.30 | 0.23 |
| 0.11 | 0.11 | 0.26 | 0.38 | 0.16 | 0.03 |
| 0.04 | 0.00 | 0.16 | 0.06 | 0.14 | 0.09 |
| 0.97 | 1.03 | 2.90 | 1.23 | 1.63 | 0.65 |
| 1.26 | 2.22 | 0.54 | 0.00 | 0.47 | 0.02 |
| 0.89 | 1.03 | 0.88 | 0.03 | 0.50 | 0.91 |
| 4.93 | 6.54 | 7.70 | 4.62 | 6.00 | 3.90 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES FROM 0-$250,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 13.14% | 15.87% | 10.42% | 13.52% |
| Receivables | 27.75 | 34.09 | 26.69 | 31.02 |
| Inventories | 8.32 | 7.10 | 9.63 | 7.66 |
| Other current assets | 7.30 | 11.47 | 7.64 | 9.59 |
| TOTAL CURRENT ASSETS | 56.51 | 68.53 | 54.38 | 61.79 |
| FIXED ASSETS | | | | |
| Real estate | 1.06 | 0.00 | 0.00 | 0.00 |
| Less: Accumulated depreciation | 0.05 | 0.00 | 0.00 | 0.00 |
| | 1.01 | 0.00 | 0.00 | 0.00 |
| Machinery and equipment | 60.98 | 46.07 | 65.33 | 61.47 |
| Less: Accumulated depreciation | 26.01 | 22.29 | 25.66 | 30.59 |
| | 34.97 | 23.78 | 39.67 | 30.88 |
| Other fixed assets | 9.87 | 10.80 | 8.29 | 8.49 |
| Less: Accumulated depreciation | 3.18 | 3.53 | 2.68 | 1.17 |
| | 6.69 | 7.27 | 5.61 | 7.32 |
| NET FIXED ASSETS | 42.67 | 31.05 | 45.28 | 38.20 |
| OTHER ASSETS | 0.82 | 0.42 | 0.34 | 0.01 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 8.54 | 7.22 | 11.38 | 7.79 |
| Accounts payable | 13.37 | 6.19 | 9.95 | 7.10 |
| Other current liabilities | 6.20 | 6.89 | 4.80 | 4.04 |
| TOTAL CURRENT LIABILITIES | 28.11 | 20.30 | 26.13 | 18.93 |
| LONG-TERM LIABILITIES | 35.11 | 20.65 | 31.14 | 19.26 |
| TOTAL LIABILITIES | 63.22 | 40.95 | 57.27 | 38.19 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 36.78 | 59.05 | 42.73 | 61.81 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 2.01 | 3.38 | 2.08 | 3.26 |
| QUICK RATIO | 1.71 | 3.03 | 1.71 | 2.86 |
| TOTAL LIABILITIES TO EQUITY | 1.72 | 0.69 | 1.34 | 0.62 |
| LONG-TERM LIABILITIES TO EQUITY | 0.95 | 0.35 | 0.73 | 0.31 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.43 | 0.48 | 0.39 | 0.50 |

| SALES FROM $250,000-$500,000 |  | SALES FROM $500,000-$1,500,000 |  | SALES FROM $1,500,000-$5,000,000 |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 22.79% | 22.57% | 12.16% | 26.82% | 5.86% | 5.26% |
| 28.87 | 27.74 | 26.05 | 40.11 | 31.54 | 43.61 |
| 8.01 | 5.45 | 4.65 | 0.45 | 10.41 | 13.68 |
| 7.28 | 17.25 | 3.34 | 0.00 | 12.25 | 22.88 |
| 66.95 | 73.01 | 46.20 | 67.38 | 60.06 | 85.43 |
| 0.00 | 0.00 | 0.00 | 0.00 | 7.71 | 0.00 |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.37 | 0.00 |
| 0.00 | 0.00 | 0.00 | 0.00 | 7.34 | 0.00 |
| 56.25 | 31.39 | 59.71 | 35.62 | 58.10 | 25.03 |
| 29.35 | 10.19 | 22.60 | 20.21 | 26.35 | 11.57 |
| 26.90 | 21.20 | 37.11 | 15.41 | 31.75 | 13.46 |
| 9.18 | 7.37 | 17.23 | 22.99 | 4.77 | 8.96 |
| 4.38 | 3.02 | 2.27 | 6.81 | 3.92 | 7.85 |
| 4.80 | 4.35 | 14.96 | 16.18 | 0.85 | 1.11 |
| 31.70 | 25.55 | 52.07 | 31.59 | 39.94 | 14.57 |
| 1.35 | 1.44 | 1.73 | 1.03 | 0.00 | 0.00 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 6.87 | 13.42 | 6.08 | 6.52 | 6.63 | 0.00 |
| 15.25 | 6.89 | 20.81 | 0.54 | 9.19 | 8.42 |
| 8.80 | 5.83 | 1.62 | 0.00 | 12.74 | 23.37 |
| 30.92 | 26.14 | 28.51 | 7.06 | 28.56 | 31.79 |
| 39.70 | 41.70 | 47.38 | 23.37 | 20.55 | 1.06 |
| 70.62 | 67.84 | 75.89 | 30.43 | 49.11 | 32.85 |
| 29.38 | 32.16 | 24.11 | 69.57 | 50.89 | 67.15 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |

|  |  |  |  |  |  |
|---|---|---|---|---|---|
| 2.17 | 2.79 | 1.62 | 9.54 | 2.10 | 2.69 |
| 1.91 | 2.58 | 1.46 | 9.48 | 1.74 | 2.26 |
| 2.40 | 2.11 | 3.15 | 0.44 | 0.97 | 0.49 |
| 1.35 | 1.30 | 1.97 | 0.34 | 0.40 | 0.02 |
| 0.52 | 0.32 | 0.38 | 0.57 | 0.45 | 0.46 |

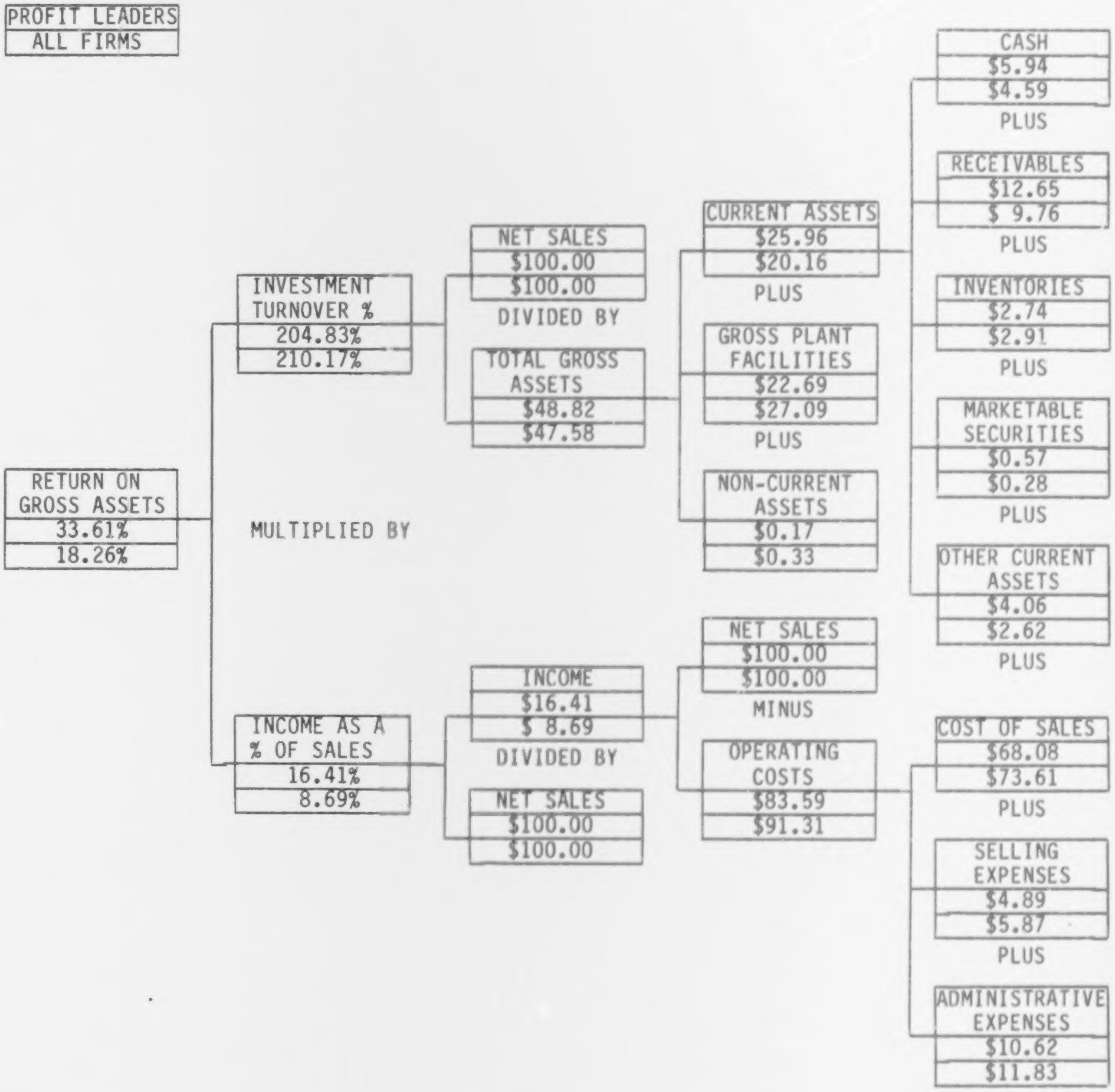
## SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES FROM 0-$250,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 17,570 | $ 22,241 | $ 18,304 | $ 23,770 |
| Average assets per factory employee (Excluding Executives) | 26,936 | 32,478 | 30,292 | 37,666 |
| Average net worth per employee - All employees | 6,432 | 11,633 | 7,331 | 12,436 |
| Average gross plant investment per factory employee (Excluding Executives) | 19,059 | 19,479 | 21,395 | 26,071 |
| Net worth percentage of fixed assets | 318.46% | 701.48% | 550.74% | 1,061.65% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 76.38% | 80.67% | 72.73% | 80.83% |
| Percent administrative - All employees | 16.88 | 12.86 | 20.81 | 12.92 |
| Percent sales - All employees | 6.74 | 6.47 | 6.46 | 6.25 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 47,603 | $ 55,910 | $ 47,627 | $ 55,475 |
| Sales per factory employee | 65,850 | 73,639 | 72,788 | 76,740 |
| Sales less material per factory employee | 45,389 | 50,561 | 50,017 | 55,344 |
| Sales per administrative employee | 209,144 | 213,659 | 109,253 | 113,668 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 60,438 | 65,353 | 65,251 | 65,762 |
| Sales per factory employee | 72,228 | 79,074 | 77,353 | 83,681 |
| Sales less material per factory employee | 49,869 | 54,325 | 53,244 | 60,315 |
| SALES PER SALESMAN | 222,500 | 230,000 | 0 | 0 |
| SALES TO CURRENT ASSETS | 579% | 436% | 584% | 483% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 33.34% | 30.98% | 31.62% | 29.44% |
| Factory payroll percentage of gross plant investment | 204.92 | 354.11 | 301.53 | 509.57 |
| Payroll per employee - All employees | $ 15,416 | $ 16,777 | $ 14,337 | $ 15,293 |
| Payroll per factory employee | 14,349 | 14,583 | 14,666 | 14,490 |
| Payroll per administrative employee | 18,042 | 20,061 | 9,849 | 10,441 |
| Payroll per sales employee | 11,504 | 16,012 | 5,767 | 7,095 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 12,348 | $ 12,979 | $ 12,929 | $ 12,594 |
| Payroll per factory employee | 12,204 | 12,464 | 12,816 | 12,215 |
| Payroll per administrative employee | 8,055 | 8,753 | 4,306 | 4,523 |
| Payroll per sales employee | 5,292 | 5,702 | 1,770 | 1,104 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 24,665 | 23,396 | 12,656 | 16,109 |
| Payroll per factory executive | 12,528 | 15,590 | 8,238 | 11,776 |
| Payroll per administrative executive | 24,200 | 23,333 | 7,690 | 6,509 |
| Payroll per sales executive | 9,507 | 12,971 | 7,134 | 9,925 |
| RECEIVABLES | | | | |
| Collection period | 36.4 | 47.1 | 35.3 | 44.1 |
| PROFIT | | | | |
| Gross profit percentage of sales | 26.39% | 31.92% | 27.06% | 31.55% |
| Average gross profit per factory employee | $ 19,545 | $ 26,121 | $ 22,000 | $ 28,108 |
| Income before taxes percentage of sales | 7.45% | 15.50% | 8.26% | 16.54% |
| Average income before taxes per employee | $ 3,877 | $ 8,683 | $ 4,296 | $ 9,277 |

| SALES FROM $250,000-$500,000 |  | SALES FROM $500,000-$1,500,000 |  | SALES FROM $1,500,000-$5,000,000 |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 14,757 | $ 18,266 | $ 18,111 | $ 22,373 | $ 19,481 | $ 21,500 |
| 19,627 | 23,247 | 30,493 | 31,962 | 24,322 | 26,658 |
| 3,893 | 2,481 | 4,928 | 15,566 | 10,433 | 14,443 |
| 12,292 | 10,869 | 24,078 | 18,730 | 16,362 | 9,063 |
| 153.08% | 312.58% | 77.86% | 220.27% | 271.93% | 491.09% |
| 82.58% | 83.75% | 74.15% | 75.00% | 79.82% | 82.79% |
| 11.17 | 6.25 | 18.28 | 20.00 | 13.01 | 12.15 |
| 6.25 | 10.00 | 7.57 | 5.00 | 7.17 | 5.06 |
| $ 48,955 | $ 52,799 | $ 48,357 | $ 61,259 | $ 44,031 | $ 54,976 |
| 59,749 | 63,563 | 66,489 | 81,679 | 54,758 | 66,373 |
| 40,088 | 43,082 | 45,536 | 46,966 | 40,561 | 47,283 |
| 239,723 | 181,877 | 267,893 | 306,296 | 367,183 | 452,777 |
| 58,903 | 60,378 | 62,132 | 76,574 | 46,142 | 57,883 |
| 65,927 | 67,894 | 80,285 | 87,513 | 55,792 | 67,994 |
| 44,372 | 46,237 | 55,230 | 50,320 | 41,324 | 48,449 |
| 200,000 | 0 | 220,000 | 220,000 | 250,000 | 250,000 |
| 560% | 455% | 670% | 406% | 460% | 303% |
| 33.25% | 30.94% | 36.63% | 37.42% | 33.75% | 29.19% |
| 198.18 | 342.14 | 84.42 | 85.16 | 107.60 | 168.63 |
| $ 15,887 | $ 15,841 | $ 17,708 | $ 22,926 | $ 14,389 | $ 16,017 |
| 14,808 | 14,344 | 14,286 | 14,887 | 12,685 | 14,798 |
| 18,256 | 19,908 | 31,440 | 48,543 | 22,147 | 20,591 |
| 6,679 | 6,782 | 20,935 | 41,047 | 23,011 | 26,959 |
| $ 11,612 | $ 12,630 | $ 12,275 | $ 13,697 | $ 12,001 | $ 13,761 |
| 11,856 | 12,748 | 12,068 | 12,349 | 11,183 | 13,041 |
| 4,146 | 0 | 16,303 | 23,131 | 13,772 | 15,817 |
| 5,681 | 6,459 | 1,434 | 0 | 20,965 | 24,437 |
| 22,879 | 14,007 | 41,856 | 47,723 | 38,027 | 30,317 |
| 13,241 | 10,000 | 15,989 | 19,200 | 18,957 | 29,013 |
| 20,201 | 18,013 | 50,901 | 68,000 | 40,675 | 34,458 |
| 2,857 | 0 | 24,231 | 35,693 | 6,180 | 12,360 |
| 29.4 | 31.5 | 36.8 | 53.6 | 51.5 | 65.2 |
| 21.44% | 29.37% | 27.66% | 33.49% | 31.10% | 33.98% |
| $ 14,005 | $ 19,989 | $ 22,309 | $ 29,310 | $ 17,730 | $ 23,101 |
| 6.44% | 12.49% | 3.01% | 8.71% | 13.41% | 22.22% |
| $ 3,342 | $ 6,763 | $ 1,687 | $ 5,335 | $ 6,840 | $ 12,169 |

## RETURN ON INVESTMENT (ROI) CHART - ALL FIRMS REPORTING

### RETURN ON INVESTMENT CHART - BASE: $100 OF SALES


PROFIT LEADERS
ALL FIRMS
RETURN ON GROSS ASSETS
33.61%
18.26%
INVESTMENT TURNOVER %
204.83%
210.17%
MULTIPLIED BY
INCOME AS A % OF SALES
16.41%
8.69%
NET SALES
$100.00
$100.00
DIVIDED BY
TOTAL GROSS ASSETS
$48.82
$47.58
INCOME
$16.41
$ 8.69
DIVIDED BY
NET SALES
$100.00
$100.00
CURRENT ASSETS
$25.96
$20.16
PLUS
GROSS PLANT FACILITIES
$22.69
$27.09
PLUS
NON-CURRENT ASSETS
$0.17
$0.33
NET SALES
$100.00
$100.00
MINUS
OPERATING COSTS
$83.59
$91.31
CASH
$5.94
$4.59
PLUS
RECEIVABLES
$12.65
$ 9.76
PLUS
INVENTORIES
$2.74
$2.91
PLUS
MARKETABLE SECURITIES
$0.57
$0.28
PLUS
OTHER CURRENT ASSETS
$4.06
$2.62
PLUS
COST OF SALES
$68.08
$73.61
PLUS
SELLING EXPENSES
$4.89
$5.87
PLUS
ADMINISTRATIVE EXPENSES
$10.62
$11.83

## RETURN ON INVESTMENT - PER $100 OF SALES

| | SALES FROM 0-$250,000 | | SALES FROM $250,000-$500,000 | | SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$5,000,000 | |
|---|---|---|---|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash | $ 4.35 | $ 6.30 | $ 6.43 | $ 4.95 | $ 4.41 | $ 9.79 | $ 2.35 | $ 2.04 |
| Receivables | 9.59 | 11.85 | 8.03 | 8.53 | 9.72 | 14.66 | 13.38 | 17.16 |
| Inventories | 3.36 | 2.95 | 2.28 | 1.91 | 1.69 | 0.16 | 4.48 | 5.52 |
| Marketable securities | 0.14 | 0.09 | 0.00 | 0.00 | 0.00 | 0.00 | 1.59 | 3.18 |
| Other current assets | 2.79 | 3.85 | 2.72 | 6.99 | 1.68 | 0.00 | 3.34 | 5.80 |
| | 20.23 | 25.04 | 19.46 | 22.38 | 17.50 | 24.61 | 25.14 | 33.70 |
| Plant Investment: | | | | | | | | |
| Land and building | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5.18 | 0.00 |
| Machinery and equipment | 24.90 | 26.54 | 15.94 | 11.84 | 24.49 | 13.01 | 26.97 | 9.78 |
| Other fixed assets | 2.48 | 2.28 | 3.20 | 3.04 | 6.65 | 8.39 | 1.90 | 3.57 |
| | 27.38 | 28.82 | 19.14 | 14.88 | 31.14 | 21.40 | 34.05 | 13.35 |
| Non-Current Assets | 0.13 | 0.00 | 0.34 | 0.64 | 0.95 | 0.38 | 0.00 | 0.00 |
| TOTAL INVESTMENT | 47.74 | 53.86 | 38.94 | 37.90 | 49.59 | 46.39 | 59.19 | 47.05 |
| INVESTMENT TURNOVER PER $100 OF SALES | 209.47% | 185.67% | 256.81% | 263.85% | 201.65% | 215.56% | 168.95% | 212.54% |
| EARNINGS | | | | | | | | |
| Cost of Product | $72.94 | $68.45 | $78.56 | $70.63 | $72.34 | $66.51 | $68.90 | $66.02 |
| Selling Expenses | 5.45 | 4.76 | 4.93 | 6.54 | 7.70 | 4.62 | 6.00 | 3.90 |
| Administrative Expenses | 10.80 | 8.50 | 8.96 | 8.47 | 17.53 | 21.07 | 11.42 | 8.68 |
| | 89.19 | 81.71 | 92.45 | 85.64 | 97.57 | 92.20 | 86.32 | 78.60 |
| Income Before Interest, Other Income (Expense), and Taxes | 10.81 | 18.29 | 7.55 | 14.36 | 2.43 | 7.80 | 13.68 | 21.40 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 22.64% | 33.96% | 19.39% | 37.86% | 4.90% | 16.81% | 23.11% | 45.48% |

## REPORT ON OPERATIONS - SALES = 100%

| | METROPOLITAN | | NON-METROPOLITAN** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Paper | 17.30 | 16.88 | 14.95 |
| Other chargeable materials | 4.73 | 4.77 | 5.33 |
| Outside services | 7.53 | 8.83 | 9.25 |
| TOTAL MATERIAL | 29.56 | 30.48 | 29.53 |
| FACTORY PAYROLL | 23.59 | 21.00 | 22.68 |
| FACTORY EXPENSES | 19.95 | 15.71 | 23.85 |
| TOTAL FACTORY COST OF PRODUCT | 73.10 | 67.19 | 76.06 |
| GROSS PROFIT | 26.90 | 32.81 | 23.94 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 12.07 | 11.39 | 10.69 |
| Selling expenses | 5.88 | 5.17 | 5.82 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 17.95 | 16.56 | 16.51 |
| INCOME BEFORE INTEREST EXPENSE | 8.95 | 16.25 | 7.43 |
| Interest expense | 1.71 | 1.27 | 1.43 |
| OPERATING INCOME | 7.24 | 14.98 | 6.00 |
| Other income | 0.51 | 0.40 | 0.00 |
| INCOME BEFORE INCOME TAXES | 7.75 | 15.38 | 6.00 |

## SUPPORTING SCHEDULES

| | METROPOLITAN ALL FIRMS | METROPOLITAN PROFIT LEADERS | NON-METROPOLITAN** ALL FIRMS |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 0.85% | 0.67% | 1.07% |
| Film | 1.00 | 1.03 | 0.00 |
| Plates | 1.70 | 2.22 | 4.26 |
| Other chargeable materials | 1.18 | 0.85 | 0.00 |
| TOTAL OTHER CHARGEABLE MATERIALS | 4.73 | 4.77 | 5.33 |
| OUTSIDE SERVICES | | | |
| Composition | 0.92 | 1.13 | 1.56 |
| Offset preparation | 0.27 | 0.24 | 2.32 |
| Printing | 4.66 | 5.40 | 2.66 |
| Binding | 0.32 | 0.37 | 0.00 |
| Other outside services | 1.36 | 1.69 | 2.71 |
| TOTAL OUTSIDE SERVICES | 7.53 | 8.83 | 9.25 |

** Sample insufficient for "Profit Leaders."

| | METROPOLITAN | | NON-METROPOLITAN** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 2.78% | 2.52% | 4.05% |
| Direct wages | 12.31 | 9.09 | 12.76 |
| General factory salaries and wages | 5.82 | 7.13 | 3.40 |
| Packing, shipping and delivery wages | 0.29 | 0.53 | 0.00 |
| Payroll taxes | 1.40 | 0.96 | 1.54 |
| Employee benefits | 0.99 | 0.77 | 0.93 |
| TOTAL FACTORY PAYROLL | 23.59 | 21.00 | 22.68 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.01 | 0.00 | 0.00 |
| Depreciation - other | 3.47 | 2.83 | 3.24 |
| Taxes - real estate | 0.04 | 0.00 | 0.00 |
| Taxes - other | 0.19 | 0.17 | 0.17 |
| Insurance | 0.74 | 0.68 | 1.16 |
| Building rent | 3.46 | 3.20 | 4.63 |
| Utilities - heat, light, etc. | 0.85 | 0.92 | 1.15 |
| Equipment rental | 7.16 | 5.62 | 10.63 |
| Total Fixed Expenses | 15.92 | 13.42 | 20.98 |
| Other Expenses | | | |
| Factory supplies and expense | 0.86 | 0.65 | 0.27 |
| Packing, shipping and delivery expense | 0.80 | 0.40 | 0.21 |
| Repairs and maintenance | 1.91 | 1.02 | 1.99 |
| Other factory expenses | 0.46 | 0.22 | 0.40 |
| Total Other Expenses | 4.03 | 2.29 | 2.87 |
| TOTAL FACTORY EXPENSES | 19.95 | 15.71 | 23.85 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 4.54 | 4.42 | 4.73 |
| Salaries - office | 2.65 | 2.39 | 0.44 |
| Payroll taxes | 0.42 | 0.29 | 0.16 |
| Employee benefits | 0.26 | 0.16 | 0.07 |
| Bad debts | 0.32 | 0.21 | 0.20 |
| Office supplies and expenses | 0.63 | 0.70 | 0.84 |
| Professional fees | 0.59 | 0.48 | 0.44 |
| Taxes - business | 0.33 | 0.59 | 0.13 |
| Telephone | 0.82 | 0.57 | 1.13 |
| Other administrative expenses | 1.51 | 1.58 | 2.55 |
| TOTAL ADMINISTRATIVE EXPENSES | 12.07 | 11.39 | 10.69 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.83 | 1.14 | 2.18 |
| Salaries and commissions - salesmen | 0.61 | 0.65 | 0.00 |
| Salaries - sales office clerical | 0.58 | 0.32 | 1.31 |
| Payroll taxes | 0.11 | 0.12 | 0.16 |
| Employee benefits | 0.07 | 0.08 | 0.16 |
| Advertising | 1.80 | 1.22 | 1.43 |
| Travel and entertainment | 1.05 | 0.71 | 0.58 |
| Other selling expenses | 0.83 | 0.93 | 0.00 |
| TOTAL SELLING EXPENSES | 5.88 | 5.17 | 5.82 |

** Sample insufficient for "Profit Leaders."

## BALANCE SHEET

| | METROPOLITAN | | NON-METROPOLITAN** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 13.03% | 16.06% | 13.67% |
| Receivables | 29.66 | 36.19 | 18.59 |
| Inventories | 8.33 | 6.61 | 8.27 |
| Other current assets | 8.17 | 12.53 | 3.06 |
| TOTAL CURRENT ASSETS | 59.19 | 71.39 | 43.59 |
| FIXED ASSETS | | | |
| Real estate | 1.28 | 0.00 | 0.00 |
| Less: Accumulated depreciation | 0.06 | 0.00 | 0.00 |
| | 1.22 | 0.00 | 0.00 |
| Machinery and equipment | 57.85 | 40.81 | 76.02 |
| Less: Accumulated depreciation | 27.26 | 20.59 | 20.04 |
| | 30.59 | 20.22 | 55.98 |
| Other fixed assets | 11.84 | 11.78 | 0.43 |
| Less: Accumulated depreciation | 3.84 | 3.85 | 0.00 |
| | 8.00 | 7.93 | 0.43 |
| NET FIXED ASSETS | 39.81 | 28.15 | 56.41 |
| OTHER ASSETS | 1.00 | 0.46 | 0.00 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 8.24 | 7.07 | 9.96 |
| Accounts payable | 14.16 | 5.78 | 9.60 |
| Other current liabilities | 6.89 | 7.13 | 2.92 |
| TOTAL CURRENT LIABILITIES | 29.29 | 19.98 | 22.48 |
| LONG-TERM LIABILITIES | 37.61 | 21.61 | 23.06 |
| TOTAL LIABILITIES | 66.90 | 41.59 | 45.54 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 33.10 | 58.41 | 54.46 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 2.02 | 3.57 | 1.94 |
| QUICK RATIO | 1.74 | 3.24 | 1.57 |
| TOTAL LIABILITIES TO EQUITY | 2.02 | 0.71 | 0.84 |
| LONG-TERM LIABILITIES TO EQUITY | 1.14 | 0.37 | 0.42 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.47 | 0.50 | 0.26 |

** Sample insufficient for "Profit Leaders."

| | METROPOLITAN | | NON-METROPOLITAN** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 18,239 | $ 22,287 | $ 14,361 |
| Average assets per factory employee (Excluding Executives) | 27,944 | 32,960 | 22,098 |
| Average net worth per employee - All employees | 6,131 | 11,383 | 7,879 |
| Average gross plant investment per factory employee (Excluding Executives) | 19,520 | 18,682 | 16,844 |
| Net worth percentage of fixed assets | 364.96% | 755.69% | 95.25% |
| EMPLOYEES | | | |
| Percent factory - All employees | 76.76% | 78.91% | 74.55% |
| Percent administrative - All employees | 17.39 | 14.03 | 14.47 |
| Percent sales - All employees | 5.85 | 7.06 | 10.98 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 49,159 | $ 57,191 | $ 40,132 |
| Sales per factory employee | 67,779 | 76,532 | 56,593 |
| Sales less material per factory employee | 46,405 | 52,373 | 40,513 |
| Sales per administrative employee | 212,502 | 233,083 | 193,026 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 61,638 | 66,542 | 54,676 |
| Sales per factory employee | 74,386 | 81,510 | 61,871 |
| Sales less material per factory employee | 51,046 | 55,784 | 44,224 |
| SALES PER SALESMAN | 222,500 | 230,000 | 0 |
| SALES TO CURRENT ASSETS | 563% | 428% | 655% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 33.64% | 30.56% | 31.91% |
| Factory payroll percentage of gross plant investment | 230.38 | 380.31 | 82.68 |
| Payroll per employee - All employees | $ 15,991 | $ 16,950 | $ 12,657 |
| Payroll per factory employee | 14,823 | 14,556 | 12,072 |
| Payroll per administrative employee | 18,989 | 21,885 | 13,495 |
| Payroll per sales employee | 12,861 | 17,468 | 4,989 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 12,947 | $ 13,154 | $ 9,469 |
| Payroll per factory employee | 12,715 | 12,592 | 9,752 |
| Payroll per administrative employee | 9,449 | 9,549 | 1,368 |
| Payroll per sales employee | 6,036 | 6,220 | 1,721 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 25,075 | 23,832 | 22,693 |
| Payroll per factory executive | 12,167 | 15,317 | 14,260 |
| Payroll per administrative executive | 25,317 | 25,454 | 18,840 |
| Payroll per sales executive | 9,178 | 14,151 | 11,086 |
| RECEIVABLES | | | |
| Collection period | 39.1 | 49.5 | 23.3 |
| PROFIT | | | |
| Gross profit percentage of sales | 26.90% | 32.81% | 23.94% |
| Average gross profit per factory employee | $ 20,335 | $ 27,445 | $ 15,753 |
| Income before taxes percentage of sales | 7.75% | 15.38% | 6.00% |
| Average income before taxes per employee | $ 4,142 | $ 8,831 | $ 2,603 |

** Sample insufficient for "Profit Leaders."

## RETURN ON INVESTMENT - PER $100 OF SALES

| | METROPOLITAN | | NON-METROPOLITAN** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 4.49 | $ 5.84 | $ 5.08 |
| Receivables | 10.46 | 13.28 | 6.33 |
| Inventories | 2.84 | 2.40 | 3.25 |
| Marketable securities | 0.34 | 0.63 | 0.00 |
| Other current assets | 2.96 | 4.42 | 1.00 |
| | 21.09 | 26.57 | 15.66 |
| Plant Investment: | | | |
| Land and building | 0.86 | 0.00 | 0.00 |
| Machinery and equipment | 21.75 | 15.86 | 28.67 |
| Other fixed assets | 4.12 | 3.97 | 0.14 |
| | 26.73 | 19.83 | 28.81 |
| Non-Current Assets | 0.41 | 0.19 | 0.00 |
| TOTAL INVESTMENT | 48.23 | 46.59 | 44.47 |
| INVESTMENT TURNOVER PER $100 OF SALES | 207.34% | 214.64% | 224.87% |
| EARNINGS | | | |
| Cost of Product | $73.10 | $67.19 | $76.06 |
| Selling Expenses | 5.88 | 5.17 | 5.82 |
| Administrative Expenses | 12.07 | 11.39 | 10.69 |
| | 91.05 | 83.75 | 92.57 |
| Income Before Interest, Other Income, and Taxes | 8.95 | 16.25 | 7.43 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 18.56% | 34.88% | 16.71% |

** Sample insufficient for "Profit Leaders."

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## ABSOLUTE DATA

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| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
|---|---|---|---|---|
| TOTAL - ALL FIRMS | 29 | $ 269,000 | $ 646,000 | $ 59,000 |
| TOTAL - PROFIT LEADERS* | 12 | 264,000 | 689,000 | 116,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| 0-$250,000 | 12 | 64,000 | 171,000 | 16,000 |
| $250,000-$500,000 | 7 | 99,000 | 335,000 | 22,000 |
| $500,000-$1,500,000 | 6 | 343,000 | 876,000 | 38,000 |
| $1,500,000-$5,000,000 | 4 | 1,071,000 | 2,268,000 | 285,000 |
| PROFIT LEADERS | | | | |
| 0-$250,000 | 6 | 75,000 | 186,000 | 31,000 |
| $250,000-$500,000 | 2 | 106,000 | 332,000 | 41,000 |
| $500,000-$1,500,000 | 2 | 447,000 | 1,225,000 | 107,000 |
| $1,500,000-$5,000,000 | 2 | 807,000 | 2,017,000 | 455,000 |
| BY AREA | | | | |
| ALL FIRMS | | | | |
| Metropolitan | 24 | 302,000 | 713,000 | 67,000 |
| Non-Metropolitan | 5 | 110,000 | 322,000 | 19,000 |
| PROFIT LEADERS | | | | |
| Metropolitan | 11 | 279,000 | 732,000 | 123,000 |

### HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios giving inordinate weight to the results of very large firms.

| | | | % of Sales | |
|---|---|---|---|---|
| Firm | Sales | Factory Payroll | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = 20.7% | |

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

## BASIC GUIDE TO USING YOUR QUICK PRINTERS' RATIO STUDY

You have to know where you stand to make accurate decisions concerning your future. This guide to the ratio study, provided by the American Quick Printing Association, will give you a brief explanation of the purpose of the ratio study and a basic procedure to use to assess information about your shop.

The PURPOSE of the Quick Printers' Ratio Study is to serve as a guide to problem areas in your shop which can inhibit your growth and profitability. The study pinpoints:

- Where other quick printers of your sales volume and in a similar market area are financially.
- Profit leaders in your sales volume and market area.
- Problem areas, specifically from paper costs to getting a return on your investments, that are not pulling their weight that need attention because they are decreasing your profits.

WHY RATIOS? This financial study is presented in percentage form based on sales. Therefore, convert your statements to percentages of your sales volume to make specific comparisons. The PIA Ratio Study Program utilizes percentages because dollar amounts can vary for each quick printing shop, but percentages with the base of 100% of sales volume provide a common base for more accurate comparison.

BASIC PROCEDURE to use the Quick Printers' Ratio Study is to prepare your Statement of Operations and Balance Sheet, based on your sales volume figure percentages. You can do this, one item at a time comparing each item as you progress...or convert your information at one time, then compare taking special note of problem areas. If you participated in the study, it is a good idea to get your copy of your input and the Chart of Accounts provided by PIA to refresh your understanding of the data.

Compare your percentages to the profit leaders in your sales volume category in Chapter 1, then in your type of market in Chapter 2. If you see a large discrepancey in a particular area, multiply and convert the figures back to dollars, using your sales volume as a base, to get the actual cost of this problem area to your shop. By using this comparison, the study can give you specific direction as to where you can increase your current profits by focusing more effective management controls on areas that are not pulling their weight in your operation.

You now have a standard to investigate and improve your operation. Now that you are familiar with the use of this study, as you participate each year, make it a habit to thoroughly check your shop at least yearly to see how you measure with your peers in each of the categories.

KEEP IN MIND in working with this data, that when you participate, your firm's individual ratios are computed, then combined with individual ratios of other similar firms, rather than being based on a total dollar sum percentage for a group of companies. The result is a more representative ratio of the quick printing industry on a "common size basis"...where your shop is directly reflected and also used to evaluate other operations. A more specific guide, going step-by-step through a sample firm evaluation, is available in the first volume of the PIA Ratio Studies if you decide to perform a more detailed analysis.

A8740-1.7

**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# Binders

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Printing Industries of America Inc.

Management Services Department
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Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1982 PIA FINANCIAL RATIOS FOR BINDERS who participated in the 1982 Ratio Studies. This Ratio Study was developed on the basis of questionnaires volunteered by 30 firms and presents the ratios and statistics of Binders by sales volume and product specialty.

Thus, the user of the report can direct himself to the standards for his sales size and product specialty in the Report on Operations and its Supporting Schedules, Balance Sheet, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company
H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Nonheatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
Printing Industries of America, Inc.
1730 N. Lynn Street
Arlington, VA 22209 — 703-841-8136

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## REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Chargeable materials | 10.40 | 13.60 | 4.54 |
| Outside services | 2.11 | 1.59 | 1.78 |
| TOTAL MATERIAL | 12.51 | 15.19 | 6.32 |
| FACTORY PAYROLL | 44.70 | 39.96 | 41.42 |
| FACTORY EXPENSES | 18.83 | 17.05 | 30.03 |
| TOTAL FACTORY COST OF PRODUCT | 76.04 | 72.20 | 77.77 |
| GROSS PROFIT | 23.96 | 27.80 | 22.23 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 13.79 | 10.62 | 13.47 |
| Selling expenses | 4.14 | 3.46 | 3.73 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 17.93 | 14.08 | 17.20 |
| INCOME BEFORE INTEREST EXPENSE | 6.03 | 13.72 | 5.03 |
| Interest expense | 2.02 | 1.71 | 2.49 |
| OPERATING INCOME | 4.01 | 12.01 | 2.54 |
| Other income | 1.25 | 1.98 | 0.57 |
| INCOME BEFORE INCOME TAXES | 5.26 | 13.99 | 3.11 |

---

* "Profit Leaders" are those firms which earned 8% or greater pretax profit on sales.

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$3,000,000 | | SALES OVER $3,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 8.47 | 6.32 | 11.75 | 16.14 | 16.48 | 23.87 |
| 1.10 | 1.04 | 3.28 | 0.05 | 2.33 | 4.72 |
| 9.57 | 7.36 | 15.03 | 16.19 | 18.81 | 28.59 |
| 47.71 | 47.09 | 43.67 | 39.52 | 43.95 | 37.33 |
| 17.51 | 18.54 | 17.41 | 16.70 | 13.81 | 12.31 |
| 74.79 | 72.99 | 76.11 | 72.41 | 76.57 | 78.23 |
| 25.21 | 27.01 | 23.89 | 27.59 | 23.43 | 21.77 |
| 15.77 | 12.06 | 13.57 | 11.34 | 11.11 | 9.70 |
| 3.16 | 3.77 | 3.20 | 2.24 | 7.52 | 3.80 |
| 18.93 | 15.83 | 16.77 | 13.58 | 18.63 | 13.50 |
| 6.28 | 11.18 | 7.12 | 14.01 | 4.80 | 8.27 |
| 1.61 | 1.10 | 2.29 | 1.84 | 1.87 | 1.38 |
| 4.67 | 10.08 | 4.83 | 12.17 | 2.93 | 6.89 |
| 0.88 | 0.79 | 1.53 | 1.88 | 2.01 | 4.28 |
| 5.55 | 10.87 | 6.36 | 14.05 | 4.94 | 11.17 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 4.07% | 5.24% | 8.21% |
| Direct wages | 30.80 | 28.56 | 28.84 |
| General factory salaries and wages | 2.19 | 0.38 | 0.00 |
| Packing, shipping and delivery wages | 1.65 | 0.83 | 0.47 |
| Payroll taxes | 2.87 | 2.10 | 2.65 |
| Employee benefits | 3.12 | 2.85 | 1.25 |
| TOTAL FACTORY PAYROLL | 44.70 | 39.96 | 41.42 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.50 | 1.32 | 2.12 |
| Depreciation - other | 3.45 | 3.04 | 4.50 |
| Taxes - real estate | 0.45 | 1.09 | 0.22 |
| Taxes - other | 0.29 | 0.26 | 0.55 |
| Insurance | 1.33 | 0.82 | 2.78 |
| Building rent | 2.99 | 2.34 | 7.64 |
| Utilities - heat, light, etc. | 1.63 | 1.35 | 2.24 |
| Equipment rental | 1.13 | 0.30 | 3.28 |
| Total Fixed Expenses | 11.77 | 10.52 | 23.33 |
| Other Expenses | | | |
| Factory supplies and expense | 1.28 | 1.13 | 1.32 |
| Packing, shipping and delivery expense | 2.27 | 2.56 | 1.94 |
| Repairs and maintenance | 2.36 | 2.36 | 1.99 |
| Other factory expenses | 1.15 | 0.48 | 1.45 |
| Total Other Expenses | 7.06 | 6.53 | 6.70 |
| TOTAL FACTORY EXPENSES | 18.83 | 17.05 | 30.03 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 5.61 | 4.80 | 5.82 |
| Salaries - office | 3.05 | 2.73 | 2.60 |
| Payroll taxes | 0.50 | 0.33 | 0.42 |
| Employee benefits | 0.63 | 0.30 | 0.74 |
| Bad debts | 0.32 | 0.33 | 0.67 |
| Office supplies and expenses | 0.60 | 0.39 | 0.44 |
| Professional fees | 0.65 | 0.54 | 0.98 |
| Taxes - business | 0.19 | 0.41 | 0.05 |
| Telephone | 0.68 | 0.46 | 0.58 |
| Other administrative expenses | 1.56 | 0.33 | 1.17 |
| TOTAL ADMINISTRATIVE EXPENSES | 13.79 | 10.62 | 13.47 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.99 | 1.26 | 1.93 |
| Salaries and commissions - salesmen | 1.13 | 0.93 | 0.00 |
| Salaries - sales office clerical | 0.21 | 0.17 | 0.27 |
| Payroll taxes | 0.09 | 0.08 | 0.12 |
| Employee benefits | 0.06 | 0.05 | 0.04 |
| Advertising | 0.57 | 0.29 | 0.83 |
| Travel and entertainment | 0.68 | 0.53 | 0.44 |
| Other selling expenses | 0.41 | 0.15 | 0.10 |
| TOTAL SELLING EXPENSES | 4.14 | 3.46 | 3.73 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$3,000,000 | | SALES OVER $3,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 5.40% | 4.67% | 1.90% | 2.11% | 1.65% | 1.85% |
| 29.79 | 36.88 | 32.96 | 32.26 | 30.88 | 24.69 |
| 3.69 | 0.00 | 1.90 | 0.00 | 1.95 | 1.54 |
| 2.26 | 0.00 | 1.27 | 0.33 | 2.16 | 2.83 |
| 3.23 | 2.28 | 2.48 | 2.03 | 3.04 | 2.72 |
| 3.34 | 3.26 | 3.16 | 2.79 | 4.27 | 3.70 |
| 47.71 | 47.09 | 43.67 | 39.52 | 43.95 | 37.33 |
| 0.30 | 0.42 | 0.13 | 0.00 | 0.05 | 0.09 |
| 3.82 | 6.48 | 3.52 | 2.18 | 1.86 | 1.94 |
| 0.32 | 0.97 | 0.84 | 1.67 | 0.28 | 0.39 |
| 0.24 | 0.00 | 0.28 | 0.42 | 0.16 | 0.12 |
| 1.21 | 0.94 | 1.09 | 0.97 | 0.68 | 0.55 |
| 2.23 | 0.00 | 1.99 | 2.36 | 1.86 | 2.04 |
| 1.70 | 1.35 | 1.26 | 1.32 | 1.60 | 1.55 |
| 0.37 | 0.00 | 1.09 | 0.57 | 0.66 | 0.35 |
| 10.19 | 10.16 | 10.20 | 9.49 | 7.15 | 7.03 |
| 1.56 | 1.87 | 1.23 | 0.95 | 0.85 | 1.12 |
| 1.62 | 1.70 | 2.70 | 3.42 | 2.95 | 2.87 |
| 2.37 | 3.85 | 2.70 | 2.84 | 2.15 | 0.72 |
| 1.77 | 0.96 | 0.58 | 0.00 | 0.71 | 0.57 |
| 7.32 | 8.38 | 7.21 | 7.21 | 6.66 | 5.28 |
| 17.51 | 18.54 | 17.41 | 16.70 | 13.81 | 12.31 |
| 7.40 | 5.04 | 5.10 | 6.20 | 3.20 | 3.04 |
| 2.78 | 3.55 | 3.41 | 2.46 | 3.37 | 3.01 |
| 0.64 | 0.37 | 0.32 | 0.41 | 0.61 | 0.26 |
| 0.50 | 0.55 | 0.54 | 0.00 | 0.89 | 0.66 |
| 0.16 | 0.07 | 0.36 | 0.36 | 0.24 | 0.70 |
| 0.68 | 0.33 | 0.63 | 0.41 | 0.54 | 0.43 |
| 0.57 | 0.55 | 0.73 | 0.65 | 0.41 | 0.19 |
| 0.30 | 0.63 | 0.24 | 0.49 | 0.07 | 0.21 |
| 0.95 | 0.48 | 0.45 | 0.18 | 0.63 | 0.73 |
| 1.79 | 0.49 | 1.79 | 0.18 | 1.15 | 0.47 |
| 15.77 | 12.06 | 13.57 | 11.34 | 11.11 | 9.70 |
| 1.08 | 2.93 | 0.66 | 0.00 | 0.55 | 0.29 |
| 0.60 | 0.00 | 1.17 | 1.17 | 2.87 | 1.97 |
| 0.26 | 0.00 | 0.15 | 0.00 | 0.19 | 0.00 |
| 0.05 | 0.07 | 0.06 | 0.00 | 0.16 | 0.17 |
| 0.01 | 0.00 | 0.02 | 0.00 | 0.24 | 0.21 |
| 0.23 | 0.34 | 0.41 | 0.35 | 1.14 | 0.08 |
| 0.68 | 0.43 | 0.56 | 0.72 | 1.05 | 0.48 |
| 0.25 | 0.00 | 0.17 | 0.00 | 1.32 | 0.60 |
| 3.16 | 3.77 | 3.20 | 2.24 | 7.52 | 3.80 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES TO $500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 9.20% | 6.62% | 8.16% |
| Receivables | 30.85 | 30.34 | 29.66 |
| Inventories | 8.05 | 7.42 | 2.12 |
| Other current assets | 5.73 | 6.61 | 4.50 |
| TOTAL CURRENT ASSETS | 53.83 | 50.99 | 44.44 |
| FIXED ASSETS | | | |
| Real estate | 9.95 | 15.63 | 13.38 |
| Less: Accumulated depreciation | 2.68 | 3.62 | 2.62 |
| | 7.27 | 12.01 | 10.76 |
| Machinery and equipment | 78.21 | 80.29 | 65.21 |
| Less: Accumulated depreciation | 49.15 | 49.62 | 23.94 |
| | 29.06 | 30.67 | 41.27 |
| Other fixed assets | 7.07 | 3.67 | 6.35 |
| Less: Accumulated depreciation | 3.45 | 1.81 | 3.25 |
| | 3.62 | 1.86 | 3.10 |
| NET FIXED ASSETS | 39.95 | 44.54 | 55.13 |
| OTHER ASSETS | 6.22 | 4.47 | 0.43 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 8.98 | 4.14 | 4.98 |
| Accounts payable | 10.23 | 7.99 | 13.57 |
| Other current liabilities | 10.09 | 13.03 | 4.26 |
| TOTAL CURRENT LIABILITIES | 29.30 | 25.16 | 22.81 |
| LONG-TERM LIABILITIES | 19.55 | 11.47 | 27.30 |
| TOTAL LIABILITIES | 48.85 | 36.63 | 50.11 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 51.15 | 63.37 | 49.89 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.84 | 2.03 | 1.95 |
| QUICK RATIO | 1.56 | 1.73 | 1.86 |
| TOTAL LIABILITIES TO EQUITY | 0.96 | 0.58 | 1.00 |
| LONG-TERM LIABILITIES TO EQUITY | 0.38 | 0.18 | 0.55 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.63 | 0.62 | 0.37 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$3,000,000 | | SALES OVER $3,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 11.60% | 6.36% | 12.01% | 11.97% | 1.86% | 0.79% |
| 26.70 | 31.72 | 27.74 | 30.53 | 43.43 | 38.57 |
| 7.08 | 2.17 | 6.79 | 10.65 | 16.48 | 11.50 |
| 7.24 | 2.58 | 3.84 | 1.35 | 7.08 | 15.37 |
| 52.62 | 42.83 | 50.38 | 54.50 | 68.85 | 66.23 |
| 13.71 | 45.28 | 4.76 | 0.00 | 8.57 | 17.23 |
| 3.62 | 8.06 | 0.93 | 0.00 | 3.75 | 6.40 |
| 10.09 | 37.22 | 3.83 | 0.00 | 4.82 | 10.83 |
| 93.93 | 111.39 | 72.97 | 62.31 | 70.70 | 76.75 |
| 67.29 | 93.53 | 41.84 | 28.80 | 50.88 | 58.43 |
| 26.64 | 17.86 | 31.13 | 33.51 | 19.82 | 18.32 |
| 6.97 | 2.20 | 7.42 | 5.49 | 7.35 | 3.90 |
| 4.03 | 0.85 | 2.31 | 2.31 | 4.39 | 2.89 |
| 2.94 | 1.35 | 5.11 | 3.18 | 2.96 | 1.01 |
| 39.67 | 56.43 | 40.07 | 36.69 | 27.60 | 30.16 |
| 7.71 | 0.74 | 9.55 | 8.81 | 3.55 | 3.61 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 12.71 | 5.86 | 4.35 | 1.68 | 12.99 | 3.07 |
| 7.69 | 0.20 | 11.61 | 14.35 | 9.64 | 6.08 |
| 7.92 | 4.00 | 12.72 | 22.87 | 14.65 | 13.09 |
| 28.32 | 10.06 | 28.68 | 38.90 | 37.28 | 22.24 |
| 15.66 | 7.56 | 20.76 | 5.89 | 17.74 | 16.33 |
| 43.98 | 17.62 | 49.44 | 44.79 | 55.02 | 38.57 |
| 56.02 | 82.38 | 50.56 | 55.21 | 44.98 | 61.43 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.86 | 4.26 | 1.76 | 1.40 | 1.85 | 2.98 |
| 1.61 | 4.04 | 1.52 | 1.13 | 1.40 | 2.46 |
| 0.79 | 0.21 | 0.98 | 0.81 | 1.22 | 0.63 |
| 0.28 | 0.09 | 0.41 | 0.11 | 0.39 | 0.27 |
| 0.72 | 0.84 | 0.57 | 0.46 | 0.72 | 0.76 |

## SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES TO $500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 18,004 | $ 25,427 | $ 26,686 |
| Average assets per factory employee (Excluding Executives) | 25,385 | 43,030 | 52,351 |
| Average net worth per employee - All employees | 9,446 | 15,505 | 13,785 |
| Average gross plant investment per factory employee (Excluding Executives) | 23,328 | 38,079 | 44,662 |
| Net worth percentage of fixed assets | 191.95% | 209.02% | 237.48% |
| EMPLOYEES | | | |
| Percent factory - All employees | 85.63% | 82.75% | 81.69% |
| Percent administrative - All employees | 11.01 | 12.21 | 12.73 |
| Percent sales - All employees | 3.36 | 5.04 | 5.58 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 32,596 | $ 37,884 | $ 31,267 |
| Sales per factory employee | 38,953 | 47,039 | 39,773 |
| Sales less material per factory employee | 33,108 | 39,020 | 37,354 |
| Sales per administrative employee | 315,158 | 339,782 | 181,843 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 37,466 | 45,544 | 43,187 |
| Sales per factory employee | 42,607 | 54,596 | 52,639 |
| Sales less material per factory employee | 36,444 | 46,165 | 49,913 |
| SALES PER SALESMAN | 388,497 | 313,889 | 0 |
| SALES TO CURRENT ASSETS | 416% | 365% | 506% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 56.98% | 50.61% | 53.35% |
| Factory payroll percentage of gross plant investment | 170.17 | 158.78 | 329.07 |
| Payroll per employee - All employees | $ 17,971 | $ 18,317 | $ 16,396 |
| Payroll per factory employee | 16,363 | 17,500 | 15,781 |
| Payroll per administrative employee | 28,998 | 26,233 | 18,530 |
| Payroll per sales employee | 18,554 | 14,815 | 9,807 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 13,680 | $ 13,783 | $ 12,169 |
| Payroll per factory employee | 13,259 | 13,631 | 12,205 |
| Payroll per administrative employee | 14,879 | 13,530 | 9,271 |
| Payroll per sales employee | 13,223 | 9,449 | 1,248 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 39,156 | 36,045 | 25,136 |
| Payroll per factory executive | 23,660 | 20,330 | 21,518 |
| Payroll per administrative executive | 47,003 | 54,988 | 23,146 |
| Payroll per sales executive | 10,718 | 9,479 | 12,006 |
| RECEIVABLES | | | |
| Collection period | 56.5 | 62.5 | 58.7 |
| PROFIT | | | |
| Gross profit percentage of sales | 23.96% | 27.80% | 22.23% |
| Average gross profit per factory employee | $ 11,091 | $ 16,628 | $ 15,231 |
| Income before taxes percentage of sales | 5.26% | 13.99% | 3.11% |
| Average income before taxes per employee | $ 1,953 | $ 5,375 | $ 2,098 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000 |  | SALES FROM $1,500,000-$3,000,000 |  | SALES OVER $3,000,000 |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 15,475 | $ 16,537 | $ 18,252 | $ 19,266 | $ 14,611 | $ 19,606 |
| 19,463 | 22,449 | 21,600 | 23,247 | 18,460 | 23,141 |
| 8,631 | 13,601 | 9,188 | 10,725 | 7,576 | 12,643 |
| 23,280 | 35,199 | 17,550 | 14,895 | 14,296 | 21,620 |
| 154.51% | 154.15% | 200.88% | 280.33% | 203.03% | 224.74% |
| 85.58% | 79.17% | 87.71% | 86.91% | 85.88% | 87.49% |
| 11.68 | 16.07 | 9.86 | 10.87 | 10.19 | 8.44 |
| 2.74 | 4.76 | 2.43 | 2.22 | 3.93 | 4.07 |
| $ 31,378 | $ 35,661 | $ 33,034 | $ 35,688 | $ 35,075 | $ 39,302 |
| 36,952 | 45,412 | 38,258 | 42,503 | 42,648 | 45,108 |
| 33,348 | 42,788 | 30,552 | 32,412 | 33,004 | 31,153 |
| 307,940 | 229,119 | 341,341 | 349,860 | 399,008 | 461,222 |
| 35,961 | 43,047 | 36,037 | 39,569 | 37,548 | 41,378 |
| 39,177 | 48,087 | 39,672 | 44,203 | 44,368 | 46,392 |
| 35,389 | 45,069 | 31,598 | 33,660 | 34,247 | 32,111 |
| 237,500 | 375,000 | 320,962 | 150,000 | 708,333 | 416,667 |
| 434% | 513% | 366% | 343% | 384% | 312% |
| 61.04% | 59.61% | 55.10% | 49.75% | 56.03% | 46.93% |
| 101.22 | 64.40 | 175.49 | 319.97 | 144.71 | 78.05 |
| $ 19,009 | $ 21,517 | $ 17,180 | $ 16,158 | $ 18,741 | $ 17,715 |
| 17,495 | 21,746 | 15,288 | 14,175 | 16,574 | 16,053 |
| 31,642 | 20,131 | 31,253 | 30,635 | 29,931 | 31,518 |
| 12,342 | 13,207 | 19,618 | 8,794 | 34,601 | 25,451 |
| $ 14,187 | $ 18,010 | $ 13,652 | $ 12,845 | $ 14,133 | $ 13,550 |
| 14,066 | 18,387 | 13,003 | 12,159 | 13,177 | 12,996 |
| 13,926 | 11,125 | 18,117 | 15,487 | 16,282 | 16,643 |
| 6,435 | 0 | 14,843 | 8,794 | 32,087 | 21,485 |
| 41,704 | 26,811 | 38,437 | 40,489 | 47,671 | 39,476 |
| 29,316 | 12,774 | 18,548 | 16,556 | 23,685 | 25,174 |
| 45,386 | 30,621 | 46,719 | 48,974 | 70,003 | 102,044 |
| 5,586 | 12,907 | 15,895 | 0 | 10,433 | 10,961 |
| 47.8 | 53.4 | 60.2 | 60.1 | 63.5 | 70.7 |
| 25.21% | 27.01% | 23.89% | 27.59% | 23.43% | 21.77% |
| $ 9,923 | $ 13,040 | $ 9,568 | $ 13,070 | $ 11,871 | $ 9,631 |
| 5.55% | 10.87% | 5.36% | 14.05% | 4.94% | 11.17% |
| $ 1,785 | $ 3,895 | $ 2,194 | $ 5,028 | $ 1,748 | $ 4,138 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES TO $500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 4.99 | $ 4.44 | $ 4.17 |
| Receivables | 15.08 | 16.53 | 14.96 |
| Inventories | 3.76 | 3.33 | 0.95 |
| Marketable securities | 0.70 | 1.92 | 0.00 |
| Other current assets | 2.37 | 3.22 | 4.74 |
| | 26.90 | 29.44 | 24.82 |
| Plant Investment: | | | |
| Land and building | 5.50 | 7.44 | 6.76 |
| Machinery and equipment | 44.64 | 53.64 | 60.05 |
| Other fixed assets | 3.77 | 2.23 | 5.07 |
| | 53.91 | 63.31 | 71.88 |
| Non-Current Assets | 3.31 | 2.15 | 0.27 |
| TOTAL INVESTMENT | 84.12 | 94.90 | 96.97 |
| INVESTMENT TURNOVER PER $100 OF SALES | 118.88% | 105.37% | 103.12% |
| EARNINGS | | | |
| Cost of Product | $76.04 | $72.20 | $77.77 |
| Selling Expenses | 4.14 | 3.46 | 3.73 |
| Administrative Expenses | 13.79 | 10.62 | 13.47 |
| | 93.97 | 86.28 | 94.97 |
| Income Before Interest, Other Income and Taxes | 6.03 | 13.72 | 5.03 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.17% | 14.46% | 5.19% |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000 |  | SALES FROM $1,500,000-$3,000,000 |  | SALES OVER $3,000,000 |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 6.00 | $ 2.62 | $ 7.16 | $ 8.36 | $ 0.71 | $ 0.37 |
| 12.94 | 14.52 | 16.28 | 16.46 | 16.97 | 18.60 |
| 3.68 | 1.26 | 3.43 | 4.18 | 6.74 | 5.73 |
| 0.00 | 0.00 | 0.64 | 0.00 | 2.56 | 7.67 |
| 3.25 | 1.16 | 1.14 | 0.81 | 0.76 | 0.22 |
| 25.87 | 19.56 | 28.65 | 29.81 | 27.74 | 32.59 |
| 7.63 | 21.94 | 3.73 | 0.00 | 3.56 | 7.81 |
| 46.69 | 50.19 | 44.33 | 42.58 | 28.83 | 37.57 |
| 3.24 | 0.93 | 4.30 | 3.58 | 2.77 | 2.06 |
| 57.36 | 73.06 | 52.36 | 46.16 | 35.16 | 47.44 |
| 3.77 | 0.28 | 5.80 | 3.95 | 1.37 | 1.90 |
| 87.20 | 92.90 | 86.81 | 79.92 | 64.27 | 81.93 |
| 114.68% | 107.64% | 115.19% | 125.13% | 155.59% | 122.06% |
| $74.79 | $72.99 | $76.11 | $72.41 | $76.57 | $78.23 |
| 3.16 | 3.77 | 3.20 | 2.24 | 7.52 | 3.80 |
| 15.77 | 12.06 | 13.57 | 11.34 | 11.11 | 9.70 |
| 93.72 | 88.82 | 92.88 | 85.99 | 95.20 | 91.73 |
| 6.28 | 11.18 | 7.12 | 14.01 | 4.80 | 8.27 |
| 7.20% | 12.03% | 8.20% | 17.53% | 7.47% | 10.09% |

## REPORT ON OPERATIONS - SALES = 100%

| | PAMPHLET | | EDITION BOOKS** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Chargeable materials | 4.74 | 7.39 | 13.12 |
| Outside services | 1.47 | 2.23 | 1.31 |
| TOTAL MATERIAL | 6.21 | 9.62 | 14.43 |
| FACTORY PAYROLL | 50.81 | 47.54 | 39.01 |
| FACTORY EXPENSES | 17.57 | 15.93 | 19.75 |
| TOTAL FACTORY COST OF PRODUCT | 74.59 | 73.09 | 73.19 |
| GROSS PROFIT | 25.41 | 26.91 | 26.81 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 15.03 | 9.05 | 16.85 |
| Selling expenses | 3.95 | 5.73 . | 4.53 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 18.98 | 14.78 | 21.38 |
| INCOME BEFORE INTEREST EXPENSE | 6.43 | 12.13 | 5.43 |
| Interest expense | 1.56 | 0.99 | 3.20 |
| OPERATING INCOME (LOSS) | 4.87 | 11.14 | 2.23 |
| Other income | 1.40 | 1.39 | 1.36 |
| INCOME BEFORE INCOME TAXES | 6.27 | 12.53 | 3.59 |

** Sample insufficient for Profit Leaders.

| FINISHERS | | LOOSELEAF** | NO PREDOMINANT SPECIALTY** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% | 100.00% |
| 4.99 | 6.31 | 38.13 | 10.43 |
| 2.75 | 1.57 | 1.06 | 3.82 |
| 7.74 | 7.88 | 39.19 | 14.25 |
| 41.94 | 37.84 | 22.75 | 47.05 |
| 22.69 | 20.10 | 5.39 | 22.38 |
| 72.37 | 65.82 | 67.33 | 83.68 |
| 27.63 | 34.18 | 32.67 | 16.32 |
| 14.42 | 11.55 | 12.52 | 11.82 |
| 4.27 | 2.92 | 11.58 | 2.67 |
| 18.69 | 14.47 | 24.10 | 14.49 |
| 8.94 | 19.71 | 8.57 | 1.83 |
| 1.59 | 2.17 | 1.92 | 2.31 |
| 7.35 | 17.54 | 6.65 | (0.48) |
| 0.55 | 0.62 | 0.01 | 1.52 |
| 7.90 | 18.16 | 6.66 | 1.04 |

## SUPPORTING SCHEDULES - SALES = 100%

| | PAMPHLET | | EDITION BOOKS** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 2.52% | 1.46% | 2.87% |
| Direct wages | 37.25 | 36.94 | 17.46 |
| General factory salaries and wages | 1.95 | 0.83 | 12.19 |
| Packing, shipping and delivery wages | 2.62 | 2.05 | 1.19 |
| Payroll taxes | 3.51 | 2.84 | 2.60 |
| Employee benefits | 2.96 | 3.42 | 2.70 |
| TOTAL FACTORY PAYROLL | 50.81 | 47.54 | 39.01 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.23 | 0.25 | 0.72 |
| Depreciation - other | 3.83 | 4.86 | 1.34 |
| Taxes - real estate | 0.43 | 0.77 | 0.42 |
| Taxes - other | 0.08 | 0.00 | 0.45 |
| Insurance | 1.33 | 0.77 | 1.48 |
| Building rent | 2.11 | 0.00 | 2.42 |
| Utilities - heat, light, etc. | 1.51 | 1.28 | 1.74 |
| Equipment rental | 0.69 | 0.33 | 2.58 |
| Total Fixed Expenses | 10.21 | 8.26 | 11.15 |
| Other Expenses | | | |
| Factory supplies and expense | 1.02 | 2.15 | 4.18 |
| Packing, shipping and delivery expense | 2.73 | 2.56 | 0.30 |
| Repairs and maintenance | 2.95 | 2.69 | 1.56 |
| Other factory expenses | 0.66 | 0.27 | 2.56 |
| Total Other Expenses | 7.36 | 7.67 | 8.60 |
| TOTAL FACTORY EXPENSES | 17.57 | 15.93 | 19.75 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 5.82 | 4.30 | 7.96 |
| Salaries - office | 3.18 | 2.35 | 4.11 |
| Payroll taxes | 0.67 | 0.17 | 0.81 |
| Employee benefits | 1.04 | 0.49 | 1.42 |
| Bad debts | 0.36 | 0.08 | 0.09 |
| Office supplies and expenses | 0.48 | 0.49 | 0.55 |
| Professional fees | 0.57 | 0.29 | 0.58 |
| Taxes - business | 0.17 | 0.21 | 0.24 |
| Telephone | 0.58 | 0.47 | 0.28 |
| Other administrative expenses | 2.16 | 0.20 | 0.81 |
| TOTAL ADMINISTRATIVE EXPENSES | 15.03 | 9.05 | 16.85 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.14 | 2.93 | 2.21 |
| Salaries and commissions - salesmen | 1.00 | 1.20 | 0.57 |
| Salaries - sales office clerical | 0.16 | 0.00 | 0.00 |
| Payroll taxes | 0.11 | 0.17 | 0.14 |
| Employee benefits | 0.04 | 0.12 | 0.04 |
| Advertising | 0.44 | 0.39 | 0.11 |
| Travel and entertainment | 0.51 | 0.57 | 1.09 |
| Other selling expenses | 0.55 | 0.35 | 0.37 |
| TOTAL SELLING EXPENSES | 3.95 | 5.73 | 4.53 |

** Sample insufficient for Profit Leaders.

| FINISHERS | | LOOSELEAF** | NO PREDOMINANT SPECIALTY** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 10.41% | 15.94% | 1.76% | 4.38% |
| 26.51 | 18.07 | 16.30 | 33.21 |
| 0.00 | 0.00 | 0.63 | 1.19 |
| 0.59 | 0.00 | 0.81 | 1.83 |
| 2.44 | 1.49 | 1.60 | 2.69 |
| 1.99 | 2.34 | 1.65 | 3.75 |
| 41.94 | 37.84 | 22.75 | 47.05 |
| 2.78 | 5.02 | 0.00 | 0.00 |
| 2.75 | 2.78 | 1.05 | 5.00 |
| 0.40 | 0.79 | 0.08 | 0.24 |
| 0.46 | 0.28 | 0.00 | 0.34 |
| 1.28 | 0.89 | 0.14 | 1.68 |
| 2.52 | 3.78 | 1.84 | 5.11 |
| 1.63 | 1.46 | 0.98 | 2.22 |
| 4.02 | 0.00 | 0.04 | 0.30 |
| 15.84 | 15.00 | 4.13 | 14.89 |
| 0.90 | 0.60 | 0.17 | 1.04 |
| 2.71 | 1.15 | 0.17 | 2.20 |
| 2.41 | 2.00 | 0.43 | 2.16 |
| 0.83 | 1.35 | 0.49 | 2.09 |
| 6.85 | 5.10 | 1.26 | 7.49 |
| 22.69 | 20.10 | 5.39 | 22.38 |
| 5.67 | 4.02 | 4.64 | 4.08 |
| 3.24 | 3.66 | 1.91 | 2.82 |
| 0.46 | 0.37 | 0.36 | 0.33 |
| 0.45 | 0.55 | 1.00 | 0.13 |
| 0.20 | 0.02 | 0.36 | 0.53 |
| 0.54 | 0.27 | 0.68 | 0.58 |
| 1.00 | 0.76 | 0.94 | 0.58 |
| 0.34 | 0.68 | 0.02 | 0.10 |
| 0.83 | 0.63 | 0.39 | 1.06 |
| 1.69 | 0.59 | 2.22 | 1.61 |
| 14.42 | 11.55 | 12.52 | 11.82 |
| 2.40 | 1.82 | 0.91 | 0.20 |
| 0.00 | 0.00 | 4.33 | 1.19 |
| 0.34 | 0.68 | 0.77 | 0.18 |
| 0.15 | 0.07 | 0.11 | 0.05 |
| 0.05 | 0.00 | 0.25 | 0.06 |
| 0.79 | 0.23 | 2.11 | 0.28 |
| 0.41 | 0.12 | 1.54 | 0.49 |
| 0.13 | 0.00 | 1.56 | 0.22 |
| 4.27 | 2.92 | 11.58 | 2.67 |

## BALANCE SHEET

| | PAMPHLET | | EDITION BOOKS** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash | 9.63% | 5.96% | 14.17% |
| Receivables | 38.75 | 43.22 | 25.00 |
| Inventories | 3.37 | 4.46 | 15.71 |
| Other current assets | 4.01 | 4.44 | 1.37 |
| TOTAL CURRENT ASSETS | 55.76 | 58.08 | 56.25 |
| FIXED ASSETS | | | |
| Real estate | 17.27 | 39.15 | 17.84 |
| Less: Accumulated depreciation | 5.03 | 11.07 | 6.71 |
| | 12.24 | 28.08 | 11.13 |
| Machinery and equipment | 87.91 | 112.07 | 54.99 |
| Less: Accumulated depreciation | 64.43 | 100.21 | 40.52 |
| | 23.48 | 11.86 | 14.47 |
| Other fixed assets | 9.12 | 1.77 | 5.40 |
| Less: Accumulated depreciation | 5.88 | 0.53 | 2.80 |
| | 3.24 | 1.24 | 2.60 |
| NET FIXED ASSETS | 38.96 | 41.18 | 28.20 |
| OTHER ASSETS | 5.28 | 0.74 | 15.55 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| **LIABILITIES AND EQUITY** | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 10.17 | 5.14 | 20.16 |
| Accounts payable | 7.19 | 3.73 | 5.44 |
| Other current liabilities | 11.00 | 8.68 | 5.75 |
| TOTAL CURRENT LIABILITIES | 28.36 | 17.55 | 31.35 |
| LONG-TERM LIABILITIES | 18.64 | 13.08 | 18.90 |
| TOTAL LIABILITIES | 47.00 | 30.63 | 50.25 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 53.00 | 69.37 | 49.75 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.97 | 3.31 | 1.79 |
| QUICK RATIO | 1.85 | 3.06 | 1.29 |
| TOTAL LIABILITIES TO EQUITY | 0.89 | 0.44 | 1.01 |
| LONG-TERM LIABILITIES TO EQUITY | 0.35 | 0.19 | 0.38 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.73 | 0.89 | 0.74 |

** Sample insufficient for Profit Leaders.

| FINISHERS | | LOOSELEAF** | NO PREDOMINANT SPECIALTY** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 3.04% | 2.32% | 0.99% | 10.45% |
| 32.13 | 17.30 | 39.25 | 24.32 |
| 1.10 | 2.20 | 34.37 | 6.85 |
| 6.07 | 7.35 | 2.37 | 12.35 |
| 42.34 | 29.17 | 76.98 | 53.97 |
| 26.68 | 23.36 | 0.00 | 0.00 |
| 4.97 | 3.39 | 0.00 | 0.00 |
| 21.71 | 19.97 | 0.00 | 0.00 |
| 62.47 | 77.91 | 28.09 | 99.21 |
| 28.88 | 27.77 | 13.17 | 64.69 |
| 33.59 | 50.14 | 14.92 | 34.52 |
| 4.54 | 0.77 | 2.18 | 8.31 |
| 2.72 | 0.35 | 0.56 | 2.99 |
| 1.82 | 0.42 | 1.62 | 5.32 |
| 57.12 | 70.53 | 16.54 | 39.84 |
| 0.54 | 0.30 | 6.48 | 6.19 |
| 100.00 | 100.00 | 100.00 | 100.00 |
| 5.58 | 7.07 | 10.92 | 7.25 |
| 15.71 | 4.15 | 21.36 | 9.96 |
| 4.72 | 2.47 | 19.44 | 10.59 |
| 26.01 | 13.69 | 51.72 | 27.80 |
| 24.77 | 20.72 | 9.90 | 21.15 |
| 50.78 | 34.41 | 61.62 | 48.95 |
| 49.22 | 65.59 | 38.38 | 51.05 |
| 100.00 | 100.00 | 100.00 | 100.00 |

| | | | |
|---|---|---|---|
| 1.63 | 2.13 | 1.49 | 1.94 |
| 1.59 | 1.97 | 0.82 | 1.69 |
| 1.03 | 0.52 | 1.61 | 0.96 |
| 0.50 | 0.32 | 0.26 | 0.41 |
| 0.46 | 0.36 | 0.47 | 0.65 |

## SIGNIFICANT FACTS

| | PAMPHLET | | EDITION BOOKS** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 13,575 | $ 14,845 | $ 19,607 |
| Average assets per factory employee (Excluding Executives) | 15,905 | 18,599 | 24,370 |
| Average net worth per employee - All employees | 7,686 | 10,518 | 8,990 |
| Average gross plant investment per factory employee (Excluding Executives) | 18,957 | 29,468 | 19,767 |
| Net worth percentage of fixed assets | 132.96% | 165.85% | 248.32% |
| EMPLOYEES | | | |
| Percent factory - All employees | 88.72% | 82.53% | 84.26% |
| Percent administrative - All employees | 9.01 | 11.16 | 11.93 |
| Percent sales - All employees | 2.27 | 6.31 | 3.81 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 28,104 | $ 36,036 | $ 32,828 |
| Sales per factory employee | 32,249 | 44,481 | 38,947 |
| Sales less material per factory employee | 30,414 | 41,228 | 33,308 |
| Sales per administrative employee | 339,950 | 334,311 | 279,979 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 30,745 | 41,761 | 37,280 |
| Sales per factory employee | 32,967 | 45,344 | 40,605 |
| Sales less material per factory employee | 31,074 | 41,926 | 34,770 |
| SALES PER SALESMAN | 588,333 | 395,833 | 177,405 |
| SALES TO CURRENT ASSETS | 412% | 420% | 305% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 63.97% | 59.27% | 56.28% |
| Factory payroll percentage of gross plant investment | 111.97 | 77.76 | 133.95 |
| Payroll per employee - All employees | $ 18,044 | $ 21,625 | $ 18,549 |
| Payroll per factory employee | 16,391 | 21,495 | 15,203 |
| Payroll per administrative employee | 33,889 | 24,591 | 38,848 |
| Payroll per sales employee | 24,957 | 27,089 | 16,543 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 14,131 | $ 18,507 | $ 13,252 |
| Payroll per factory employee | 13,860 | 18,676 | 12,573 |
| Payroll per administrative employee | 16,260 | 12,215 | 19,878 |
| Payroll per sales employee | 19,607 | 11,725 | 4,214 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 51,539 | 30,579 | 37,945 |
| Payroll per factory executive | 24,686 | 10,174 | 26,598 |
| Payroll per administrative executive | 67,637 | 84,325 | 43,565 |
| Payroll per sales executive | 14,511 | 12,907 | 18,010 |
| RECEIVABLES | | | |
| Collection period | 65.2 | 66.8 | 55.5 |
| PROFIT | | | |
| Gross profit percentage of sales | 25.41% | 26.91% | 26.81% |
| Average gross profit per factory employee | $ 8,528 | $ 12,283 | $ 10,906 |
| Income before taxes percentage of sales | 6.27% | 12.53% | 3.59% |
| Average income before taxes per employee | $ 1,922 | $ 4,432 | $ 1,232 |

** Sample insufficient for Profit Leaders.

| FINISHERS | | LOOSELEAF** | NO PREDOMINANT SPECIALTY** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| $ 27,186 | $ 45,164 | $ 17,402 | $ 17,612 |
| 58,882 | 103,562 | 24,470 | 21,388 |
| 14,420 | 26,273 | 6,850 | 9,144 |
| 51,740 | 87,944 | 6,483 | 23,018 |
| 246.58% | 93.75% | 379.55% | 169.85% |
| 76.41% | 75.07% | 77.78% | 88.03% |
| 16.62 | 16.93 | 14.63 | 9.62 |
| 6.97 | 8.00 | 7.59 | 2.35 |
| $ 31,520 | $ 37,689 | $ 46,123 | $ 34,141 |
| 42,135 | 51,715 | 61,067 | 39,099 |
| 39,408 | 48,733 | 37,922 | 32,011 |
| 207,533 | 226,032 | 425,331 | 300,746 |
| 45,658 | 55,490 | 51,899 | 37,751 |
| 58,187 | 78,108 | 64,563 | 41,518 |
| 54,920 | 74,480 | 40,253 | 34,105 |
| 0 | 0 | 150,000 | 50,000 |
| 565% | 388% | 351% | 418% |
| 54.70% | 49.01% | 37.03% | 56.09% |
| 383.27 | 42.79 | 381.61 | 94.91 |
| $ 16,553 | $ 17,928 | $ 17,083 | $ 18,530 |
| 16,841 | 18,676 | 13,419 | 17,526 |
| 15,485 | 17,269 | 30,052 | 23,140 |
| 12,259 | 7,412 | 35,351 | 16,262 |
| $ 11,921 | $ 10,050 | $ 12,542 | $ 14,615 |
| 12,190 | 10,567 | 10,521 | 14,345 |
| 8,069 | 9,245 | 12,692 | 14,631 |
| 1,560 | 3,120 | 35,570 | 11,512 |
| 22,172 | 31,272 | 43,529 | 31,422 |
| 21,561 | 31,314 | 20,070 | 27,679 |
| 22,999 | 31,960 | 46,394 | 34,060 |
| 15,007 | 14,047 | 13,559 | 6,340 |
| 54.9 | 61.4 | 54.1 | 49.5 |
| 27.63% | 34.18% | 32.67% | 16.32% |
| $ 18,815 | $ 29,624 | $ 22,640 | $ 7,079 |
| 7.90% | 18.16% | 6.66% | 1.04% |
| $ 3,490 | $ 7,478 | $ 3,184 | $ 708 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | PAMPHLET | | EDITION BOOKS** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| **INVESTMENT** | | | |
| Current Assets: | | | |
| Cash | $ 5.48 | $ 2.32 | $ 7.35 |
| Receivables | 17.65 | 18.19 | 15.15 |
| Inventories | 1.65 | 2.02 | 9.96 |
| Marketable securities | 0.26 | 1.03 | 0.00 |
| Other current assets | 1.57 | 0.86 | 0.94 |
| | 26.61 | 24.42 | 33.40 |
| Plant Investment: | | | |
| Land and building | 8.97 | 16.19 | 11.84 |
| Machinery and equipment | 42.69 | 45.63 | 33.21 |
| Other fixed assets | 4.13 | 0.68 | 3.73 |
| | 55.79 | 62.50 | 48.78 |
| Non-Current Assets | 2.51 | 0.28 | 10.57 |
| TOTAL INVESTMENT | 84.91 | 87.20 | 92.75 |
| INVESTMENT TURNOVER PER $100 OF SALES | 117.77% | 114.68% | 107.82% |
| **EARNINGS** | | | |
| Cost of Product | $74.59 | $73.09 | $73.19 |
| Selling Expenses | 3.95 | 5.73 | 4.53 |
| Administrative Expenses | 15.03 | 9.05 | 16.85 |
| | 93.57 | 87.87 | 94.57 |
| Income Before Interest, Other Income, and Taxes | 6.43 | 12.13 | 5.43 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.57% | 13.91% | 5.85% |

** Sample insufficient for Profit Leaders.

| FINISHERS | | LOOSELEAF** | NO PREDOMINANT SPECIALTY** |
|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| $ 1.93 | $ 2.76 | $ 0.36 | $ 4.81 |
| 14.27 | 15.34 | 14.75 | 12.90 |
| 0.65 | 1.31 | 13.02 | 3.15 |
| 0.00 | 0.00 | 0.00 | 2.38 |
| 6.18 | 10.80 | 0.90 | 3.11 |
| 23.03 | 30.21 | 29.03 | 26.35 |
| 14.46 | 13.56 | 0.00 | 0.00 |
| 53.74 | 85.20 | 10.45 | 54.67 |
| 2.47 | 0.80 | 0.79 | 4.67 |
| 70.67 | 99.56 | 11.24 | 59.34 |
| 0.33 | 0.48 | 2.45 | 2.96 |
| 94.03 | 130.25 | 42.72 | 88.65 |
| 106.35% | 76.78% | 234.08% | 112.80% |
| $72.37 | $65.82 | $67.33 | $83.68 |
| 4.27 | 2.92 | 11.58 | 2.67 |
| 14.42 | 11.55 | 12.52 | 11.82 |
| 91.06 | 80.29 | 91.43 | 98.17 |
| 8.94 | 19.71 | 8.57 | 1.83 |
| 9.51% | 15.13% | 20.06% | 2.06% |

## ABSOLUTE DATA

| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
|---|---|---|---|---|
| TOTAL - ALL FIRMS | 30 | $ 981,000 | $1,972,000 | $102,000 |
| TOTAL - PROFIT LEADERS* | 8 | 1,081,000 | 1,986,000 | 249,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| 0-$500,000 | 5 | 168,000 | 241,000 | 14,000 |
| $500,000-$1,500,000 | 10 | 493,000 | 988,000 | 55,000 |
| $1,500,000-$3,000,000 | 9 | 1,362,000 | 2,177,000 | 121,000 |
| Over $3,000,000 | 6 | 1,898,000 | 4,745,000 | 225,000 |
| PROFIT LEADERS | | | | |
| $500,000-$1,500,000 | 2 | 407,000 | 851,000 | 93,000 |
| $1,500,000-$3,000,000 | 3 | 1,080,000 | 1,749,000 | 248,000 |
| Over $3,000,000 | 2 | 2,114,000 | 4,352,000 | 500,000 |
| BY PRODUCT SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Pamphlet | 8 | 1,281,000 | 2,673,000 | 166,000 |
| Edition | 3 | 1,016,000 | 1,536,000 | 31,000 |
| Finishers | 4 | 243,000 | 362,000 | 36,000 |
| Looseleaf | 3 | 1,140,000 | 2,979,000 | 122,000 |
| No Predominant Specialty | 8 | 930,000 | 2,003,000 | 57,000 |
| PROFIT LEADERS | | | | |
| Pamphlet | 2 | 1,272,000 | 2,875,000 | 388,000 |
| Finishers | 2 | 421,000 | 525,000 | 73,000 |

### HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of its size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| Firm | Sales | Factory Payroll | % of Sales Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
|---|---|---|---|---|
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = 20.7% | |

---

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages.

A8740-1.8

**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# Book Manufacturers

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Printing Industries of America Inc.

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Arlington, Virginia 22209

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR BOOK MANUFACTURERS. This year, a total of 36 firms in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance. Among these respondents, 11 firms may be considered "Profit Leaders," earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the ratios and statistics by sales volume - for example, sales from $250,000 to $500,000, $500,000 to $1,500,000 etc.; by product specialty - for example, printing and binding or printing only; and by process specialty - for example, sheet-fed offset or web-fed offset. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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Director Management Services
Printing Industries of America, Inc.
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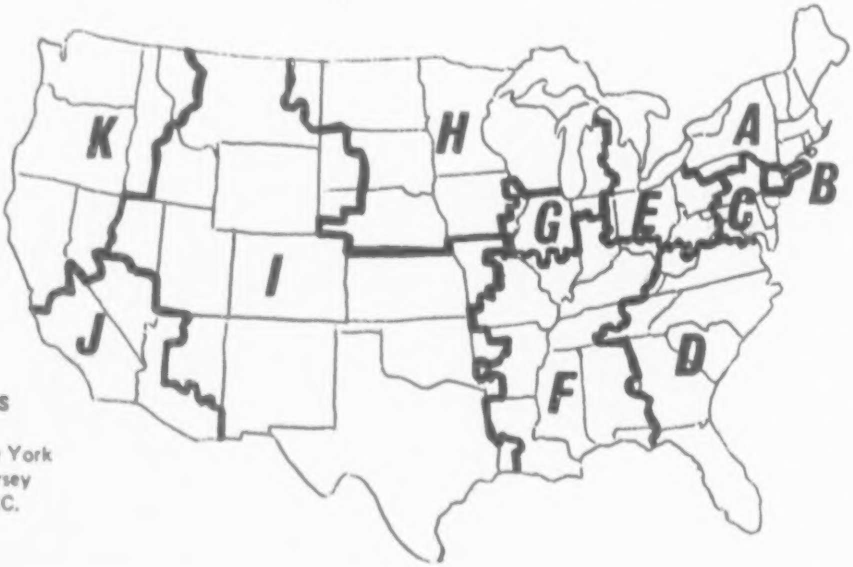

**CONSOLIDATED REGIONS**

A. New England and Up-state New York
B. Metropolitan New York and Jersey
C. Eastern Penn., Maryland and D.C.
D. Southeast Atlantic
E. East North Central
F. South Central
G. Chicago Area
H. West North Central
I. Plains and Mountain States
J. Pacific Southwest
K. Pacific Northwest

# VALUE ADDED -- A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFITS

## What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

| | | |
|---|---|---|
| SALES | | $100 |
| LESS: MATERIALS | | |
| Paper | $22 | |
| Other chargeable materials | 6 | |
| Outside services | 7 | |
| | | 35 |
| VALUE ADDED | | $ 65 |

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

## "Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

## Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

## Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

## Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

## Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $250,000-$500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 47.11 | 43.42 | 45.59 |
| FACTORY EXPENSES | 19.46 | 17.41 | 18.46 |
| TOTAL FACTORY COST OF PRODUCT | 66.57 | 60.83 | 64.05 |
| GROSS PROFIT | 33.43 | 39.17 | 35.95 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 14.06 | 11.02 | 17.64 |
| Selling expenses | 9.71 | 9.90 | 4.03 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 23.77 | 20.92 | 21.67 |
| INCOME BEFORE INTEREST EXPENSE | 9.66 | 18.25 | 14.28 |
| Interest expense | 3.81 | 2.63 | 1.34 |
| OPERATING INCOME | 5.85 | 15.62 | 12.94 |
| Other income (expense) | 1.06 | 2.14 | (3.03) |
| INCOME BEFORE INCOME TAXES | 6.91 | 17.76 | 9.91 |

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* See Page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$5,000,000** | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| X | X | X | X | X | X |
| X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 40.88 | 49.06 | 48.22 | 39.45 | 46.42 | 45.84 |
| 22.98 | 18.22 | 18.82 | 17.57 | 20.52 | 18.32 |
| 63.86 | 67.28 | 67.04 | 57.02 | 66.94 | 64.16 |
| 36.14 | 32.72 | 32.96 | 42.98 | 33.06 | 35.84 |
| 17.98 | 13.54 | 13.83 | 13.02 | 12.20 | 10.47 |
| 7.15 | 10.43 | 10.35 | 10.01 | 10.56 | 10.69 |
| 25.13 | 23.97 | 24.18 | 23.03 | 22.76 | 21.16 |
| 11.01 | 8.75 | 8.78 | 19.95 | 10.30 | 14.68 |
| 5.91 | 4.27 | 4.72 | 6.09 | 1.47 | 0.61 |
| 5.10 | 4.48 | 4.06 | 13.86 | 8.83 | 14.07 |
| 1.17 | 1.16 | 0.90 | 1.46 | 2.09 | 2.76 |
| 6.27 | 5.64 | 4.96 | 15.32 | 10.92 | 16.83 |

## SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $250,000-$500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 3.44% | 3.91% | 12.30% |
| Direct wages | 31.77 | 27.17 | 24.34 |
| General factory salaries and wages | 4.37 | 4.23 | 0.91 |
| Packing, shipping and delivery wages | 1.45 | 1.20 | 0.00 |
| Payroll taxes | 2.75 | 2.28 | 5.61 |
| Employee benefits | 3.33 | 4.63 | 2.43 |
| TOTAL FACTORY PAYROLL | 47.11 | 43.42 | 45.59 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.79 | 0.44 | 0.00 |
| Depreciation - other | 4.04 | 3.93 | 3.30 |
| Taxes - real estate | 0.48 | 0.53 | 0.58 |
| Taxes - other | 0.34 | 0.36 | 0.67 |
| Insurance | 0.77 | 0.78 | 1.42 |
| Building rent | 1.50 | 0.93 | 2.73 |
| Utilities - heat, light, etc. | 1.88 | 1.63 | 1.13 |
| Equipment rental | 0.66 | 0.16 | 1.85 |
| Total Fixed Expenses | 10.46 | 8.76 | 11.68 |
| Other Expenses | | | |
| Factory supplies and expense | 3.40 | 2.37 | 0.77 |
| Packing, shipping and delivery expense | 1.55 | 1.57 | 3.86 |
| Repairs and maintenance | 2.62 | 2.37 | 1.15 |
| Other factory expenses | 1.43 | 2.34 | 1.00 |
| Total Other Expenses | 9.00 | 8.65 | 6.78 |
| TOTAL FACTORY EXPENSES | 19.46 | 17.41 | 18.46 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 3.42 | 2.96 | 2.02 |
| Salaries - office | 3.97 | 2.86 | 7.29 |
| Payroll taxes | 0.52 | 0.29 | 2.46 |
| Employee benefits | 0.58 | 0.67 | 0.12 |
| Bad debts | 0.91 | 0.41 | 0.64 |
| Office supplies and expenses | 0.73 | 0.49 | 0.40 |
| Professional fees | 0.88 | 0.57 | 0.55 |
| Taxes - business | 0.34 | 0.28 | 1.07 |
| Telephone | 0.78 | 0.69 | 1.06 |
| Other administrative expenses | 1.93 | 1.80 | 2.03 |
| TOTAL ADMINISTRATIVE EXPENSES | 14.06 | 11.02 | 17.64 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.06 | 1.37 | 0.00 |
| Salaries and commissions - salesmen | 3.93 | 3.52 | 0.00 |
| Salaries - sales office clerical | 1.35 | 1.30 | 0.00 |
| Payroll taxes | 0.29 | 0.25 | 0.00 |
| Employee benefits | 0.40 | 0.60 | 0.00 |
| Advertising | 0.51 | 0.99 | 0.25 |
| Travel and entertainment | 1.22 | 1.03 | 0.89 |
| Other selling expenses | 0.95 | 0.84 | 2.89 |
| TOTAL SELLING EXPENSES | 9.71 | 9.90 | 4.03 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$5,000,000** | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 1.19% | 2.84% | 3.48% | 2.90% | 3.09% | 3.43% |
| 31.62 | 37.43 | 30.44 | 26.60 | 27.81 | 25.63 |
| 1.75 | 2.34 | 7.07 | 3.22 | 5.61 | 6.71 |
| 2.20 | 1.47 | 1.32 | 1.72 | 1.59 | 1.26 |
| 2.26 | 2.28 | 2.84 | 1.44 | 2.79 | 2.64 |
| 1.86 | 2.70 | 3.07 | 3.57 | 5.53 | 6.17 |
| 40.88 | 49.06 | 48.22 | 39.45 | 46.42 | 45.84 |
| 2.10 | 1.10 | 0.30 | 0.40 | 0.59 | 0.65 |
| 6.25 | 2.98 | 4.73 | 5.48 | 3.61 | 3.46 |
| 0.10 | 0.65 | 0.50 | 0.59 | 0.39 | 0.47 |
| 0.14 | 0.27 | 0.30 | 0.23 | 0.51 | 0.59 |
| 0.84 | 0.75 | 0.85 | 0.38 | 0.51 | 0.36 |
| 3.04 | 1.62 | 1.47 | 1.30 | 0.27 | 0.09 |
| 1.73 | 1.85 | 2.01 | 1.42 | 2.02 | 1.75 |
| 0.49 | 0.69 | 0.45 | 0.19 | 0.68 | 0.19 |
| 14.69 | 9.91 | 10.61 | 9.99 | 8.58 | 7.56 |
| 4.17 | 2.95 | 4.05 | 3.63 | 3.45 | 1.85 |
| 0.65 | 2.02 | 0.78 | 0.74 | 1.82 | 2.01 |
| 2.34 | 2.38 | 2.77 | 2.55 | 3.24 | 2.69 |
| 1.13 | 0.96 | 0.61 | 0.66 | 3.43 | 4.21 |
| 8.29 | 8.31 | 8.21 | 7.58 | 11.94 | 10.76 |
| 22.98 | 18.22 | 18.82 | 17.57 | 20.52 | 18.32 |
| 4.11 | 4.22 | 3.71 | 5.04 | 1.91 | 2.14 |
| 3.67 | 4.00 | 3.69 | 2.53 | 3.61 | 3.00 |
| 0.40 | 0.42 | 0.43 | 0.32 | 0.35 | 0.30 |
| 0.23 | 0.66 | 0.54 | 0.74 | 0.81 | 0.78 |
| 1.38 | 0.32 | 1.21 | 0.41 | 1.13 | 0.58 |
| 0.46 | 1.15 | 0.73 | 0.43 | 0.40 | 0.45 |
| 2.83 | 0.63 | 0.70 | 0.48 | 0.58 | 0.64 |
| 0.30 | 0.25 | 0.29 | 0.19 | 0.37 | 0.38 |
| 0.99 | 0.79 | 0.74 | 0.89 | 0.65 | 0.47 |
| 3.61 | 1.10 | 1.79 | 1.99 | 2.39 | 1.73 |
| 17.98 | 13.54 | 13.83 | 13.02 | 12.20 | 10.47 |
| 0.71 | 1.74 | 0.86 | 1.12 | 0.83 | 0.90 |
| 3.48 | 4.36 | 4.56 | 4.69 | 3.76 | 4.01 |
| 0.24 | 1.34 | 1.46 | 0.75 | 2.10 | 2.26 |
| 0.14 | 0.28 | 0.35 | 0.17 | 0.36 | 0.31 |
| 0.09 | 0.31 | 0.41 | 0.56 | 0.76 | 0.79 |
| 0.59 | 0.77 | 0.46 | 0.76 | 0.24 | 0.22 |
| 0.81 | 1.13 | 1.54 | 1.07 | 1.18 | 1.10 |
| 1.09 | 0.50 | 0.71 | 0.89 | 1.33 | 1.10 |
| 7.15 | 10.43 | 10.35 | 10.01 | 10.56 | 10.69 |

## REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $250,000-$500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Paper | 21.60 | 24.49 | 20.86 |
| Other chargeable materials | 9.03 | 8.51 | 10.67 |
| Outside services | 7.55 | 5.43 | 7.89 |
| TOTAL MATERIAL | 38.18 | 38.43 | 39.42 |
| FACTORY PAYROLL | 29.28 | 26.85 | 28.27 |
| FACTORY EXPENSES | 11.93 | 10.75 | 11.07 |
| TOTAL FACTORY COST OF PRODUCT | 79.39 | 76.03 | 78.76 |
| GROSS PROFIT | 20.61 | 23.97 | 21.24 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 8.59 | 6.76 | 10.35 |
| Selling expenses | 6.01 | 6.14 | 2.33 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 14.60 | 12.90 | 12.68 |
| INCOME BEFORE INTEREST EXPENSE | 6.01 | 11.07 | 8.56 |
| Interest expense | 2.29 | 1.49 | 0.77 |
| OPERATING INCOME | 3.72 | 9.58 | 7.79 |
| Other income (expense) | 0.69 | 1.37 | (1.56) |
| INCOME BEFORE INCOME TAXES | 4.41 | 10.95 | 6.23 |

## SUPPORTING SCHEDULES - SALES = 100%

| | | | |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 1.69% | 0.84% | 1.35% |
| Film | 1.78 | 1.71 | 0.00 |
| Plates | 2.06 | 1.32 | 0.00 |
| Other chargeable materials | 3.50 | 4.64 | 9.32 |
| TOTAL OTHER CHARGEABLE MATERIALS | 9.03 | 8.51 | 10.67 |
| OUTSIDE SERVICES | | | |
| Composition | 0.98 | 0.43 | 9.11 |
| Offset preparation | 1.41 | 0.20 | 0.51 |
| Printing | 0.72 | 0.37 | 1.22 |
| Binding | 3.51 | 3.72 | 1.77 |
| Other outside services | 0.93 | 0.71 | (4.72) |
| TOTAL OUTSIDE SERVICES | 7.55 | 5.43 | 7.89 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$5,000,000** | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 16.97 | 21.84 | 24.35 | 29.61 | 20.01 | 22.54 |
| 8.13 | 6.07 | 8.10 | 7.31 | 14.41 | 9.37 |
| 6.92 | 10.16 | 8.41 | 5.88 | 3.00 | 3.18 |
| 32.02 | 38.07 | 40.86 | 42.80 | 37.42 | 35.09 |
| 28.11 | 30.32 | 29.05 | 22.41 | 29.02 | 29.75 |
| 15.54 | 11.24 | 10.95 | 10.20 | 12.62 | 11.81 |
| 75.67 | 79.63 | 80.86 | 75.41 | 79.06 | 76.65 |
| 24.33 | 20.37 | 19.14 | 24.59 | 20.94 | 23.35 |
| 12.13 | 8.55 | 7.73 | 7.55 | 7.61 | 6.76 |
| 4.92 | 6.46 | 6.20 | 5.79 | 6.59 | 7.02 |
| 17.05 | 15.01 | 13.93 | 13.34 | 14.20 | 13.78 |
| 7.28 | 5.36 | 5.21 | 11.25 | 6.74 | 9.57 |
| 3.87 | 2.63 | 2.70 | 3.38 | 0.86 | 0.40 |
| 3.41 | 2.73 | 2.51 | 7.87 | 5.88 | 9.17 |
| 0.83 | 0.74 | 0.54 | 0.87 | 1.33 | 1.81 |
| 4.24 | 3.47 | 3.05 | 8.74 | 7.21 | 10.98 |

| | | | | | |
|---|---|---|---|---|---|
| 2.64% | 1.08% | 1.81% | 0.93% | 0.56% | 0.49% |
| 0.80 | 1.39 | 1.86 | 1.35 | 3.69 | 2.59 |
| 2.31 | 1.90 | 1.47 | 0.70 | 2.96 | 2.06 |
| 2.38 | 1.70 | 2.96 | 4.33 | 7.20 | 4.23 |
| 8.13 | 6.07 | 8.10 | 7.31 | 14.41 | 9.37 |
| 1.72 | 1.38 | 0.15 | 0.13 | 0.29 | 0.33 |
| 1.71 | 2.41 | 1.21 | 0.22 | 0.03 | 0.03 |
| 1.03 | 0.87 | 0.62 | 0.32 | 0.38 | 0.40 |
| 2.46 | 4.62 | 3.93 | 2.32 | 1.68 | 1.64 |
| 0.00 | 0.88 | 2.50 | 2.89 | 0.62 | 0.78 |
| 5.92 | 10.16 | 8.41 | 5.88 | 3.00 | 3.18 |

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $250,000-$500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 2.13% | 2.42% | 7.34% |
| Direct wages | 19.99 | 16.77 | 15.55 |
| General factory salaries and wages | 2.43 | 2.66 | 0.52 |
| Packing, shipping and delivery wages | 0.93 | 0.73 | 0.00 |
| Payroll taxes | 1.71 | 1.43 | 3.38 |
| Employee benefits | 2.09 | 2.84 | 1.48 |
| TOTAL FACTORY PAYROLL | 29.28 | 26.85 | 28.27 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.49 | 0.28 | 0.00 |
| Depreciation - other | 2.46 | 2.43 | 1.88 |
| Taxes - real estate | 0.30 | 0.33 | 0.37 |
| Taxes - other | 0.20 | 0.22 | 0.38 |
| Insurance | 0.46 | 0.48 | 0.89 |
| Building rent | 0.91 | 0.54 | 1.64 |
| Utilities - heat, light, etc. | 1.18 | 1.02 | 0.72 |
| Equipment rental | 0.40 | 0.10 | 1.06 |
| Total Fixed Expenses | 6.40 | 5.40 | 6.94 |
| Other Expenses | | | |
| Factory supplies and expense | 2.14 | 1.45 | 0.44 |
| Packing, shipping and delivery expense | 0.93 | 0.98 | 2.35 |
| Repairs and maintenance | 1.58 | 1.46 | 0.70 |
| Other factory expenses | 0.88 | 1.46 | 0.64 |
| Total Other Expenses | 5.53 | 5.35 | 4.13 |
| TOTAL FACTORY EXPENSES | 11.93 | 10.75 | 11.07 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 2.10 | 1.76 | 1.15 |
| Salaries - office | 2.42 | 1.77 | 4.33 |
| Payroll taxes | 0.32 | 0.18 | 1.41 |
| Employee benefits | 0.36 | 0.41 | 0.07 |
| Bad debts | 0.51 | 0.27 | 0.37 |
| Office supplies and expenses | 0.44 | 0.30 | 0.25 |
| Professional fees | 0.55 | 0.36 | 0.31 |
| Taxes - business | 0.21 | 0.18 | 0.62 |
| Telephone | 0.48 | 0.42 | 0.62 |
| Other administrative expenses | 1.20 | 1.11 | 1.22 |
| TOTAL ADMINISTRATIVE EXPENSES | 8.59 | 6.76 | 10.35 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.66 | 0.83 | 0.00 |
| Salaries and commissions - salesmen | 2.46 | 2.20 | 0.00 |
| Salaries - sales office clerical | 0.83 | 0.82 | 0.00 |
| Payroll taxes | 0.18 | 0.16 | 0.00 |
| Employee benefits | 0.25 | 0.37 | 0.00 |
| Advertising | 0.31 | 0.60 | 0.16 |
| Travel and entertainment | 0.74 | 0.64 | 0.51 |
| Other selling expenses | 0.58 | 0.52 | 1.66 |
| TOTAL SELLING EXPENSES | 6.01 | 6.14 | 2.33 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$5,000,000** | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 0.80% | 1.82% | 2.10% | 1.65% | 1.95% | 2.23% |
| 21.76 | 23.06 | 19.08 | 15.12 | 17.28 | 16.64 |
| 1.14 | 1.39 | 3.44 | 1.80 | 3.59 | 4.40 |
| 1.53 | 0.93 | 0.82 | 0.98 | 0.99 | 0.83 |
| 1.52 | 1.43 | 1.74 | 0.85 | 1.74 | 1.71 |
| 1.36 | 1.69 | 1.87 | 2.01 | 3.47 | 3.94 |
| 28.11 | 30.32 | 29.05 | 22.41 | 29.02 | 29.75 |
| | | | | | |
| 1.28 | 0.68 | 0.18 | 0.23 | 0.37 | 0.43 |
| 4.23 | 1.88 | 2.67 | 3.25 | 2.27 | 2.26 |
| 0.06 | 0.41 | 0.29 | 0.33 | 0.25 | 0.31 |
| 0.09 | 0.17 | 0.16 | 0.13 | 0.32 | 0.39 |
| 0.55 | 0.46 | 0.44 | 0.22 | 0.32 | 0.23 |
| 2.18 | 0.94 | 0.82 | 0.73 | 0.14 | 0.03 |
| 1.22 | 1.16 | 1.22 | 0.82 | 1.25 | 1.15 |
| 0.31 | 0.42 | 0.32 | 0.11 | 0.38 | 0.12 |
| 9.92 | 6.12 | 6.10 | 5.82 | 5.30 | 4.92 |
| 2.92 | 1.87 | 2.45 | 2.10 | 2.09 | 1.22 |
| 0.44 | 1.24 | 0.39 | 0.43 | 1.13 | 1.26 |
| 1.57 | 1.43 | 1.63 | 1.49 | 1.97 | 1.74 |
| 0.69 | 0.58 | 0.38 | 0.36 | 2.13 | 2.67 |
| 5.62 | 5.12 | 4.85 | 4.38 | 7.32 | 6.89 |
| 15.54 | 11.24 | 10.95 | 10.20 | 12.62 | 11.81 |
| | | | | | |
| 2.86 | 2.67 | 2.10 | 2.92 | 1.18 | 1.37 |
| 2.51 | 2.52 | 2.00 | 1.43 | 2.30 | 1.95 |
| 0.27 | 0.27 | 0.25 | 0.19 | 0.22 | 0.19 |
| 0.17 | 0.43 | 0.32 | 0.42 | 0.51 | 0.50 |
| 0.92 | 0.21 | 0.58 | 0.26 | 0.66 | 0.38 |
| 0.32 | 0.70 | 0.41 | 0.25 | 0.25 | 0.29 |
| 1.89 | 0.40 | 0.41 | 0.28 | 0.36 | 0.41 |
| 0.21 | 0.15 | 0.17 | 0.11 | 0.23 | 0.25 |
| 0.67 | 0.50 | 0.43 | 0.52 | 0.39 | 0.30 |
| 2.31 | 0.70 | 1.06 | 1.17 | 1.51 | 1.12 |
| 12.13 | 8.55 | 7.73 | 7.55 | 7.61 | 6.76 |
| | | | | | |
| 0.55 | 1.06 | 0.53 | 0.64 | 0.53 | 0.59 |
| 2.36 | 2.80 | 2.69 | 2.74 | 2.35 | 2.65 |
| 0.18 | 0.78 | 0.91 | 0.42 | 1.30 | 1.48 |
| 0.10 | 0.17 | 0.22 | 0.10 | 0.22 | 0.20 |
| 0.07 | 0.19 | 0.25 | 0.32 | 0.47 | 0.50 |
| 0.41 | 0.46 | 0.28 | 0.46 | 0.15 | 0.15 |
| 0.54 | 0.70 | 0.90 | 0.62 | 0.74 | 0.72 |
| 0.71 | 0.30 | 0.42 | 0.49 | 0.83 | 0.73 |
| 4.92 | 6.46 | 6.20 | 5.79 | 6.59 | 7.02 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES FROM $250,000-$500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 4.43% | 7.55% | 27.46% |
| Receivables | 35.91 | 33.06 | 31.13 |
| Inventories | 19.16 | 16.03 | 12.78 |
| Other current assets | 2.67 | 3.19 | 1.73 |
| TOTAL CURRENT ASSETS | 62.17 | 59.83 | 73.10 |
| FIXED ASSETS | | | |
| Real estate | 12.93 | 13.70 | 0.00 |
| Less: Accumulated depreciation | 3.90 | 4.92 | 0.00 |
| | 9.03 | 8.78 | 0.00 |
| Machinery and equipment | 59.07 | 50.26 | 61.77 |
| Less: Accumulated depreciation | 35.19 | 24.60 | 42.40 |
| | 23.88 | 25.66 | 19.37 |
| Other fixed assets | 4.60 | 4.68 | 8.33 |
| Less: Accumulated depreciation | 2.11 | 1.77 | 0.85 |
| | 2.49 | 2.91 | 7.48 |
| NET FIXED ASSETS | 35.40 | 37.35 | 26.85 |
| OTHER ASSETS | 2.43 | 2.82 | 0.05 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 12.00 | 6.40 | 9.58 |
| Accounts payable | 16.26 | 11.95 | 3.57 |
| Other current liabilities | 10.15 | 8.52 | 4.67 |
| TOTAL CURRENT LIABILITIES | 38.41 | 26.87 | 17.82 |
| LONG-TERM LIABILITIES | 23.19 | 14.47 | 4.30 |
| TOTAL LIABILITIES | 61.60 | 41.34 | 22.12 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 38.40 | 58.66 | 77.88 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.62 | 2.23 | 4.10 |
| QUICK RATIO | 1.12 | 1.63 | 3.38 |
| TOTAL LIABILITIES TO EQUITY | 1.60 | 0.70 | 0.28 |
| LONG-TERM LIABILITIES TO EQUITY | 0.60 | 0.25 | 0.06 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.60 | 0.49 | 0.69 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$5,000,000** | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 4.39% | 2.64% | 4.05% | 4.55% | 1.67% | 1.56% |
| 24.31 | 38.34 | 37.79 | 36.15 | 36.97 | 33.93 |
| 21.45 | 20.66 | 18.60 | 17.47 | 18.34 | 15.91 |
| 3.41 | 2.76 | 1.45 | 0.49 | 4.08 | 5.38 |
| 53.56 | 64.40 | 61.89 | 58.66 | 61.06 | 56.78 |
| 10.37 | 13.23 | 10.60 | 8.64 | 20.22 | 23.23 |
| 0.48 | 4.43 | 2.81 | 2.78 | 7.38 | 8.62 |
| 9.89 | 8.80 | 7.79 | 5.86 | 12.84 | 14.61 |
| 62.96 | 66.56 | 55.99 | 59.60 | 50.39 | 47.01 |
| 32.33 | 44.47 | 30.36 | 27.48 | 28.68 | 25.33 |
| 30.63 | 22.09 | 25.63 | 32.12 | 21.71 | 21.68 |
| 4.97 | 6.08 | 4.88 | 6.61 | 1.04 | 1.68 |
| 3.27 | 2.52 | 2.64 | 3.39 | 0.53 | 0.85 |
| 1.70 | 3.56 | 2.24 | 3.22 | 0.51 | 0.83 |
| 42.22 | 34.45 | 35.66 | 41.20 | 35.06 | 37.12 |
| 4.22 | 1.15 | 2.45 | 0.14 | 3.88 | 6.10 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 17.68 | 16.07 | 12.04 | 10.57 | 4.13 | 4.98 |
| 19.72 | 18.25 | 16.38 | 14.40 | 14.77 | 11.81 |
| 9.62 | 10.47 | 9.52 | 7.80 | 12.22 | 11.26 |
| 47.02 | 44.79 | 37.94 | 32.77 | 31.12 | 28.05 |
| 24.59 | 30.90 | 24.94 | 27.93 | 14.19 | 7.87 |
| 71.61 | 75.69 | 62.88 | 60.70 | 45.31 | 35.92 |
| 28.39 | 24.31 | 37.12 | 39.30 | 54.69 | 64.08 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.14 | 1.44 | 1.63 | 1.79 | 1.96 | 2.02 |
| 0.68 | 0.98 | 1.14 | 1.26 | 1.37 | 1.46 |
| 2.52 | 3.11 | 1.69 | 1.54 | 0.83 | 0.56 |
| 0.87 | 1.27 | 0.67 | 0.71 | 0.26 | 0.12 |
| 0.51 | 0.67 | 0.54 | 0.46 | 0.57 | 0.54 |

## SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES TO $250,000-$500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 29,919 | $ 33,787 | $ 12,751 |
| Average assets per factory employee (Excluding Executives) | 53,553 | 43,257 | 56,400 |
| Average net worth per employee - All employees | 10,913 | 18,915 | 10,020 |
| Average gross plant investment per factory employee (Excluding Executives) | 39,287 | 30,476 | 53,334 |
| Net worth percentage of fixed assets | 130.00% | 204.46% | 417.24% |
| EMPLOYEES | | | |
| Percent factory - All employees | 78.71% | 83.25% | 72.22% |
| Percent administrative - All employees | 13.31 | 9.30 | 27.78 |
| Percent sales - All employees | 7.98 | 7.45 | 0.00 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 55,928 | $ 65,270 | $ 31,858 |
| Sales per factory employee | 79,996 | 79,249 | 50,827 |
| Sales less material per factory employee | 49,559 | 48,082 | 30,068 |
| Sales per administrative employee | 529,323 | 700,594 | 282,830 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 62,828 | 71,529 | 50,827 |
| Sales per factory employee | 99,109 | 83,576 | 160,714 |
| Sales less material per factory employee | 62,059 | 50,705 | 93,057 |
| SALES PER SALESMAN | 939,767 | 1,029,534 | 0 |
| SALES TO CURRENT ASSETS | 331% | 338% | 367% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 38.85% | 35.35% | 35.24% |
| Factory payroll percentage of gross plant investment | 83.83 | 86.30 | 138.19 |
| Payroll per employee - All employees | $ 20,781 | $ 21,527 | $ 10,798 |
| Payroll per factory employee | 22,555 | 19,260 | 11,432 |
| Payroll per administrative employee | 24,105 | 27,775 | 11,570 |
| Payroll per sales employee | 32,527 | 38,677 | 0 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 16,992 | $ 15,870 | $ 7,362 |
| Payroll per factory employee | 21,125 | 15,038 | 6,304 |
| Payroll per administrative employee | 14,063 | 14,349 | 10,331 |
| Payroll per sales employee | 25,261 | 25,593 | 0 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 37,494 | 43,993 | 18,106 |
| Payroll per factory executive | 32,699 | 36,608 | 18,356 |
| Payroll per administrative executive | 43,308 | 54,033 | 3,356 |
| Payroll per sales executive | 31,252 | 48,104 | 0 |
| RECEIVABLES | | | |
| Collection period | 69.1 | 66.5 | 48.8 |
| PROFIT | | | |
| Gross profit percentage of sales | 20.61% | 23.97% | 21.24% |
| Average gross profit per factory employee | $ 22,863 | $ 21,703 | $ 45,477 |
| Income before taxes percentage of sales | 4.41% | 10.95% | 6.23% |
| Average income before taxes per employee | $ 2,999 | $ 7,717 | $ 1,784 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$5,000,000** | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 31,435 | $ 32,057 | $ 32,758 | $ 38,489 | $ 26,610 | $ 28,829 |
| 39,754 | 83,160 | 42,594 | 49,234 | 34,098 | 36,718 |
| 8,386 | 8,855 | 10,959 | 14,451 | 15,166 | 18,783 |
| 29,461 | 60,506 | 30,045 | 37,622 | 24,218 | 26,311 |
| 69.84% | 86.71% | 114.18% | 114.01% | 169.53% | 191.05% |
| 79.79% | 74.12% | 81.60% | 80.97% | 82.12% | 83.15% |
| 12.74 | 15.75 | 10.55 | 10.68 | 10.40 | 8.47 |
| 7.47 | 10.13 | 7.85 | 8.35 | 7.48 | 8.38 |
| $ 46,174 | $ 60,258 | $ 61,124 | $ 70,465 | $ 53,723 | $ 54,968 |
| 58,672 | 106,969 | 76,253 | 86,986 | 66,008 | 66,174 |
| 39,618 | 69,392 | 42,767 | 49,683 | 41,472 | 42,672 |
| 382,971 | 478,787 | 623,881 | 686,795 | 603,591 | 663,767 |
| 49,078 | 71,504 | 65,672 | 75,718 | 56,866 | 58,858 |
| 59,496 | 143,326 | 80,022 | 90,115 | 68,961 | 69,913 |
| 40,171 | 95,111 | 44,960 | 51,455 | 43,318 | 45,046 |
| 165,000 | 684,180 | 922,891 | 795,018 | 1,373,972 | 1,170,244 |
| 297% | 335% | 328% | 335% | 338% | 344% |
| 37.18% | 41.21% | 38.31% | 31.59% | 38.08% | 39.17% |
| 56.30 | 78.08 | 89.37 | 64.25 | 84.30 | 80.32 |
| $ 16,893 | $ 23,226 | $ 21,892 | $ 22,407 | $ 20,332 | $ 21,124 |
| 16,155 | 32,014 | 19,968 | 19,585 | 19,087 | 19,300 |
| 21,512 | 23,642 | 28,069 | 32,791 | 23,721 | 26,178 |
| 22,856 | 29,898 | 35,124 | 37,281 | 45,538 | 38,341 |
| $ 14,343 | $ 20,134 | $ 17,594 | $ 17,009 | $ 15,576 | $ 15,973 |
| 14,352 | 35,109 | 16,823 | 16,115 | 14,905 | 14,868 |
| 13,831 | 14,149 | 14,558 | 13,333 | 14,311 | 14,988 |
| 16,418 | 19,878 | 30,465 | 31,067 | 36,243 | 31,451 |
| 24,273 | 33,281 | 45,424 | 53,543 | 43,838 | 35,620 |
| 13,200 | 29,169 | 35,335 | 41,703 | 47,264 | 28,575 |
| 24,606 | 36,302 | 57,830 | 65,996 | 52,312 | 57,676 |
| 13,710 | 24,370 | 39,038 | 49,005 | 46,593 | 51,999 |
| 57.1 | 72.1 | 75.0 | 77.0 | 67.9 | 66.2 |
| 24.33% | 20.37% | 19.14% | 24.59% | 20.94% | 23.35% |
| $ 14,665 | $ 34,940 | $ 15,491 | $ 22,056 | $ 14,840 | $ 16,459 |
| 4.24% | 3.47% | 3.05% | 8.74% | 7.21% | 10.98% |
| $ 1,947 | $ 3,605 | $ 2,157 | $ 6,170 | $ 4,153 | $ 6,133 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES FROM $250,000-$500,000** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 2.25 | $ 3.38 | $13.21 |
| Receivables | 18.10 | 17.51 | 12.15 |
| Inventories | 10.32 | 8.38 | 4.77 |
| Marketable securities | 0.39 | 1.22 | 0.00 |
| Other current assets | 1.06 | 0.64 | 0.84 |
| | 32.12 | 31.13 | 30.97 |
| Plant Investment: | | | |
| Land and building | 8.27 | 8.02 | 0.00 |
| Machinery and equipment | 30.30 | 27.00 | 23.40 |
| Other fixed assets | 2.05 | 2.38 | 2.93 |
| | 40.62 | 37.40 | 26.33 |
| Non-Current Assets | 1.59 | 1.78 | 0.02 |
| TOTAL INVESTMENT | 74.33 | 70.31 | 57.32 |
| INVESTMENT TURNOVER PER $100 OF SALES | 134.54% | 142.23% | 174.45% |
| EARNINGS | | | |
| Cost of Product | $79.39 | $76.03 | $78.76 |
| Selling Expenses | 6.01 | 6.14 | 2.33 |
| Administrative Expenses | 8.59 | 6.76 | 10.35 |
| | 93.99 | 88.93 | 91.44 |
| Income Before Interest, Other Income (Expense), and Taxes | 6.01 | 11.07 | 8.56 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 8.09% | 15.74% | 14.93% |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$5,000,000** | SALES FROM $5,000,000-$10,000,000 | | SALES OVER $10,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 2.61 | $ 1.73 | $ 1.70 | $ 1.49 | $ 0.78 | $ 0.74 |
| 14.49 | 19.16 | 19.49 | 20.35 | 18.03 | 17.64 |
| 16.78 | 10.60 | 9.68 | 9.59 | 8.98 | 8.30 |
| 0.00 | 0.00 | 0.04 | 0.00 | 1.73 | 2.69 |
| 1.75 | 1.49 | 0.69 | 0.21 | 0.70 | 0.64 |
| 35.63 | 32.98 | 31.60 | 31.64 | 30.22 | 30.01 |
| 9.34 | 8.97 | 6.91 | 5.76 | 10.71 | 13.04 |
| 39.20 | 32.78 | 29.79 | 34.36 | 24.86 | 24.53 |
| 2.40 | 2.46 | 2.42 | 3.46 | 0.59 | 0.95 |
| 50.94 | 44.21 | 39.12 | 43.58 | 36.16 | 38.52 |
| 2.55 | 0.54 | 1.91 | 0.05 | 2.46 | 3.88 |
| 89.12 | 77.73 | 72.63 | 75.27 | 68.84 | 72.41 |
| 112.21% | 128.65% | 137.68% | 132.86% | 145.26% | 138.10% |
| $75.67 | $79.63 | $80.86 | $75.41 | $79.06 | $76.65 |
| 4.92 | 6.46 | 6.20 | 5.79 | 6.59 | 7.02 |
| 12.13 | 8.55 | 7.73 | 7.55 | 7.61 | 6.76 |
| 92.72 | 94.64 | 94.79 | 88.75 | 93.26 | 90.43 |
| 7.28 | 5.36 | 5.21 | 11.25 | 6.74 | 9.57 |
| 8.17% | 6.90% | 7.17% | 14.95% | 9.79% | 13.22% |

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 47.59 | 43.97 | 46.13 |
| FACTORY EXPENSES | 18.84 | 17.85 | 24.43 |
| TOTAL FACTORY COST OF PRODUCT | 66.43 | 61.82 | 70.56 |
| GROSS PROFIT | 33.57 | 38.18 | 29.44 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 13.78 | 11.17 | 16.56 |
| Selling expenses | 9.83 | 9.84 | 8.87 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 23.61 | 21.01 | 25.43 |
| INCOME BEFORE INTEREST EXPENSE | 9.96 | 17.17 | 4.01 |
| Interest expense | 3.83 | 2.78 | 4.20 |
| OPERATING INCOME (LOSS) | 6.13 | 14.39 | (0.19) |
| Other income | 1.09 | 2.29 | 0.96 |
| INCOME BEFORE INCOME TAXES | 7.22 | 16.68 | 0.77 |

** Sample insufficient for Profit Leaders.

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 3.64% | 4.16% | 2.63% |
| Direct wages | 32.70 | 27.19 | 27.23 |
| General factory salaries and wages | 3.38 | 4.14 | 10.16 |
| Packing, shipping and delivery wages | 1.56 | 1.17 | 0.81 |
| Payroll taxes | 2.70 | 2.37 | 3.29 |
| Employee benefits | 3.61 | 4.94 | 2.01 |
| TOTAL FACTORY PAYROLL | 47.59 | 43.97 | 46.13 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.69 | 0.44 | 1.47 |
| Depreciation - other | 3.70 | 3.72 | 5.71 |
| Taxes - real estate | 0.53 | 0.55 | 0.18 |
| Taxes - other | 0.35 | 0.38 | 0.32 |
| Insurance | 0.67 | 0.83 | 1.49 |
| Building rent | 1.31 | 1.03 | 2.90 |
| Utilities - heat, light, etc. | 1.76 | 1.74 | 2.86 |
| Equipment rental | 0.68 | 0.15 | 0.60 |
| Total Fixed Expenses | 9.69 | 8.84 | 15.53 |
| Other Expenses | | | |
| Factory supplies and expense | 3.29 | 2.56 | 4.68 |
| Packing, shipping and delivery expense | 1.71 | 1.59 | 0.63 |
| Repairs and maintenance | 2.68 | 2.31 | 2.19 |
| Other factory expenses | 1.47 | 2.55 | 1.40 |
| Total Other Expenses | 9.15 | 9.01 | 8.90 |
| TOTAL FACTORY EXPENSES | 18.84 | 17.85 | 24.43 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 3.47 | 3.10 | 3.48 |
| Salaries - office | 3.90 | 2.86 | 4.68 |
| Payroll taxes | 0.53 | 0.30 | 0.50 |
| Employee benefits | 0.64 | 0.71 | 0.31 |
| Bad debts | 0.76 | 0.35 | 1.74 |
| Office supplies and expenses | 0.72 | 0.50 | 0.87 |
| Professional fees | 0.89 | 0.57 | 0.86 |
| Taxes - business | 0.38 | 0.30 | 0.14 |
| Telephone | 0.78 | 0.67 | 0.73 |
| Other administrative expenses | 1.71 | 1.81 | 3.25 |
| TOTAL ADMINISTRATIVE EXPENSES | 13.78 | 11.17 | 16.56 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.08 | 1.46 | 1.04 |
| Salaries and commissions - salesmen | 4.06 | 3.36 | 3.07 |
| Salaries - sales office clerical | 1.37 | 1.35 | 1.29 |
| Payroll taxes | 0.27 | 0.26 | 0.46 |
| Employee benefits | 0.41 | 0.64 | 0.33 |
| Advertising | 0.57 | 1.01 | 0.07 |
| Travel and entertainment | 1.04 | 0.91 | 2.08 |
| Other selling expenses | 1.03 | 0.85 | 0.53 |
| TOTAL SELLING EXPENSES | 9.83 | 9.84 | 8.87 |

** Sample insufficient for Profit Leaders.

## REPORT ON OPERATIONS - SALES = 100%

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Paper | 22.47 | 24.85 | 16.50 |
| Other chargeable materials | 9.26 | 8.76 | 8.30 |
| Outside services | 6.87 | 5.49 | 12.16 |
| TOTAL MATERIAL | 38.60 | 39.10 | 36.96 |
| FACTORY PAYROLL | 29.29 | 26.95 | 29.91 |
| FACTORY EXPENSES | 11.53 | 10.93 | 14.91 |
| TOTAL FACTORY COST OF PRODUCT | 79.42 | 76.98 | 81.78 |
| GROSS PROFIT | 20.58 | 23.02 | 18.22 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 8.53 | 6.79 | 9.35 |
| Selling expenses | 6.04 | 6.03 | 5.59 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 14.57 | 12.82 | 14.94 |
| INCOME BEFORE INTEREST EXPENSE | 6.01 | 10.20 | 3.28 |
| Interest expense | 2.30 | 1.57 | 2.57 |
| OPERATING INCOME | 3.71 | 8.63 | 0.71 |
| Other income | 0.70 | 1.46 | 0.69 |
| INCOME BEFORE INCOME TAXES | 4.41 | 10.09 | 1.40 |

## SUPPORTING SCHEDULES - SALES = 100%

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 1.12% | 0.87% | 3.58% |
| Film | 2.03 | 1.76 | 0.98 |
| Plates | 1.95 | 1.36 | 2.42 |
| Other chargeable materials | 4.16 | 4.77 | 1.32 |
| TOTAL OTHER CHARGEABLE MATERIALS | 9.26 | 8.76 | 8.30 |
| OUTSIDE SERVICES | | | |
| Composition | 0.94 | 0.43 | 0.09 |
| Offset preparation | 1.24 | 0.20 | 3.94 |
| Printing | 0.67 | 0.37 | 0.84 |
| Binding | 3.29 | 3.77 | 1.88 |
| Other outside services | 0.73 | 0.72 | 5.41 |
| TOTAL OUTSIDE SERVICES | 6.87 | 5.49 | 12.16 |

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 2.22% | 2.56% | 1.77% |
| Direct wages | 20.11 | 16.59 | 19.60 |
| General factory salaries and wages | 2.07 | 2.58 | 4.36 |
| Packing, shipping and delivery wages | 0.98 | 0.71 | 0.62 |
| Payroll taxes | 1.68 | 1.49 | 2.10 |
| Employee benefits | 2.23 | 3.02 | 1.46 |
| TOTAL FACTORY PAYROLL | 29.29 | 26.95 | 29.91 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 0.43 | 0.28 | 0.90 |
| Depreciation - other | 2.28 | 2.26 | 3.23 |
| Taxes - real estate | 0.33 | 0.34 | 0.12 |
| Taxes - other | 0.22 | 0.24 | 0.15 |
| Insurance | 0.41 | 0.51 | 0.78 |
| Building rent | 0.78 | 0.59 | 1.84 |
| Utilities - heat, light, etc. | 1.09 | 1.08 | 1.89 |
| Equipment rental | 0.40 | 0.09 | 0.46 |
| Total Fixed Expenses | 5.94 | 5.39 | 9.37 |
| Other Expenses | | | |
| Factory supplies and expense | 2.03 | 1.56 | 3.12 |
| Packing, shipping and delivery expense | 1.04 | 0.98 | 0.24 |
| Repairs and maintenance | 1.62 | 1.41 | 1.27 |
| Other factory expenses | 0.90 | 1.59 | 0.91 |
| Total Other Expenses | 5.59 | 5.54 | 5.54 |
| TOTAL FACTORY EXPENSES | 11.53 | 10.93 | 14.91 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 2.15 | 1.85 | 2.03 |
| Salaries - office | 2.41 | 1.76 | 2.52 |
| Payroll taxes | 0.33 | 0.18 | 0.29 |
| Employee benefits | 0.39 | 0.43 | 0.22 |
| Bad debts | 0.47 | 0.22 | 0.70 |
| Office supplies and expenses | 0.44 | 0.30 | 0.49 |
| Professional fees | 0.56 | 0.35 | 0.54 |
| Taxes - business | 0.23 | 0.19 | 0.10 |
| Telephone | 0.48 | 0.40 | 0.44 |
| Other administrative expenses | 1.07 | 1.11 | 2.02 |
| TOTAL ADMINISTRATIVE EXPENSES | 8.53 | 6.79 | 9.35 |
| SELLING EXPENSES | | | |
| Salaries - executive | 0.66 | 0.88 | 0.78 |
| Salaries and commissions - salesmen | 2.55 | 2.07 | 1.74 |
| Salaries - sales office clerical | 0.82 | 0.85 | 0.91 |
| Payroll taxes | 0.16 | 0.16 | 0.30 |
| Employee benefits | 0.25 | 0.39 | 0.23 |
| Advertising | 0.35 | 0.61 | 0.04 |
| Travel and entertainment | 0.63 | 0.55 | 1.25 |
| Other selling expenses | 0.62 | 0.52 | 0.34 |
| TOTAL SELLING EXPENSES | 6.04 | 6.03 | 5.59 |

** Sample insufficient for Profit Leaders.

## BALANCE SHEET

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 4.27% | 8.31% | 6.26% |
| Receivables | 36.44 | 32.86 | 32.88 |
| Inventories | 18.64 | 15.60 | 22.07 |
| Other current assets | 2.96 | 3.45 | 1.35 |
| TOTAL CURRENT ASSETS | 62.31 | 60.22 | 62.56 |
| FIXED ASSETS | | | |
| Real estate | 14.80 | 13.31 | 0.75 |
| Less: Accumulated depreciation | 4.51 | 4.95 | 0.09 |
| | 10.29 | 8.36 | 0.66 |
| Machinery and equipment | 57.59 | 49.72 | 68.60 |
| Less: Accumulated depreciation | 35.09 | 24.39 | 37.44 |
| | 22.50 | 25.33 | 31.16 |
| Other fixed assets | 4.62 | 4.80 | 4.65 |
| Less: Accumulated depreciation | 2.05 | 1.74 | 2.43 |
| | 2.57 | 3.06 | 2.22 |
| NET FIXED ASSETS | 35.36 | 36.75 | 34.04 |
| OTHER ASSETS | 2.33 | 3.03 | 3.40 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 11.76 | 5.31 | 12.42 |
| Accounts payable | 15.43 | 11.60 | 21.40 |
| Other current liabilities | 10.66 | 8.99 | 8.36 |
| TOTAL CURRENT LIABILITIES | 37.85 | 25.90 | 42.18 |
| LONG-TERM LIABILITIES | 23.98 | 15.19 | 21.60 |
| TOTAL LIABILITIES | 61.83 | 41.09 | 63.78 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 38.17 | 58.91 | 36.22 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 1.65 | 2.33 | 1.48 |
| QUICK RATIO | 1.15 | 1.72 | 0.96 |
| TOTAL LIABILITIES TO EQUITY | 1.62 | 0.70 | 1.76 |
| LONG-TERM LIABILITIES TO EQUITY | 0.63 | 0.26 | 0.60 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.61 | 0.49 | 0.55 |

** Sample insufficient for Profit Leaders.

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 29,569 | $ 34,029 | $ 31,731 |
| Average assets per factory employee (Excluding Executives) | 55,937 | 43,668 | 42,128 |
| Average net worth per employee - All employees | 10,643 | 19,044 | 11,193 |
| Average gross plant investment per factory employee (Excluding Executives) | 41,191 | 30,518 | 29,703 |
| Net worth percentage of fixed assets | 133.62% | 211.94% | 108.31% |
| EMPLOYEES | | | |
| Percent factory - All employees | 78.46% | 83.40% | 79.59% |
| Percent administrative - All employees | 13.64 | 9.37 | 12.26 |
| Percent sales - All employees | 7.90 | 7.23 | 8.15 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 55,427 | $ 65,923 | $ 58,372 |
| Sales per factory employee | 81,066 | 79,987 | 75,200 |
| Sales less material per factory employee | 50,782 | 47,983 | 42,322 |
| Sales per administrative employee | 519,709 | 702,370 | 556,302 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 63,069 | 72,578 | 61,742 |
| Sales per factory employee | 103,481 | 84,601 | 78,033 |
| Sales less material per factory employee | 65,458 | 50,769 | 44,065 |
| SALES PER SALESMAN | 961,837 | 1,077,342 | 819,440 |
| SALES TO CURRENT ASSETS | 335% | 338% | 305% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 39.01% | 35.52% | 38.93% |
| Factory payroll percentage of gross plant investment | 83.55 | 88.62 | 89.66 |
| Payroll per employee - All employees | $ 20,818 | $ 21,700 | $ 20,755 |
| Payroll per factory employee | 23,176 | 19,327 | 19,625 |
| Payroll per administrative employee | 23,808 | 28,316 | 26,231 |
| Payroll per sales employee | 33,518 | 39,765 | 27,528 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 16,971 | $ 15,700 | $ 17,003 |
| Payroll per factory employee | 21,969 | 14,860 | 16,923 |
| Payroll per administrative employee | 13,856 | 14,192 | 14,931 |
| Payroll per sales employee | 26,212 | 25,597 | 19,496 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 37,255 | 44,652 | 38,942 |
| Payroll per factory executive | 33,949 | 36,637 | 24,476 |
| Payroll per administrative executive | 41,971 | 55,509 | 52,135 |
| Payroll per sales executive | 31,127 | 49,413 | 31,248 |
| RECEIVABLES | | | |
| Collection period | 69.6 | 65.9 | 65.0 |
| PROFIT | | | |
| Gross profit percentage of sales | 20.58% | 23.02% | 18.22% |
| Average gross profit per factory employee | $ 24,469 | $ 21,416 | $ 12,887 |
| Income before taxes percentage of sales | 4.41% | 10.09% | 1.40% |
| Average income before taxes per employee | $ 3,165 | $ 7,342 | $ 308 |

** Sample insufficient for Profit Leaders.

## RETURN ON INVESTMENT - PER $100 OF SALES

| | PRINTING AND BINDING | | PRINTING ONLY** |
|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 2.13 | $ 3.72 | $ 3.36 |
| Receivables | 18.24 | 17.38 | 17.14 |
| Inventories | 9.87 | 8.14 | 12.95 |
| Marketable securities | 0.47 | 1.35 | 0.02 |
| Other current assets | 1.13 | 0.67 | 0.79 |
| | 31.84 | 31.26 | 34.26 |
| Plant Investment: | | | |
| Land and building | 9.55 | 7.88 | 0.33 |
| Machinery and equipment | 28.90 | 26.73 | 38.82 |
| Other fixed assets | 2.01 | 2.43 | 2.35 |
| | 40.46 | 37.04 | 41.50 |
| Non-Current Assets | 1.54 | 1.92 | 2.08 |
| TOTAL INVESTMENT | 73.84 | 70.22 | 77.84 |
| INVESTMENT TURNOVER PER $100 OF SALES | 135.43% | 142.41% | 128.47% |
| EARNINGS | | | |
| Cost of Product | $79.42 | $76.98 | $81.78 |
| Selling Expenses | 6.04 | 6.03 | 5.59 |
| Administrative Expenses | 8.53 | 6.79 | 9.35 |
| | 93.99 | 89.80 | 96.72 |
| Income Before Interest, Other Income, and Taxes | 6.01 | 10.20 | 3.28 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 8.14% | 14.53% | 4.21% |

** Sample insufficient for Profit Leaders.

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | SHEET-FED OFFSET | | WEB-FED OFFSET | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 45.75 | 38.69 | 50.26 | 45.04 |
| FACTORY EXPENSES | 19.66 | 16.98 | 17.55 | 18.63 |
| TOTAL FACTORY COST OF PRODUCT | 65.41 | 55.67 | 67.81 | 63.67 |
| GROSS PROFIT | 34.59 | 44.33 | 32.19 | 36.33 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 14.98 | 11.15 | 11.24 | 11.68 |
| Selling expenses | 10.18 | 12.10 | 8.19 | 8.94 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 25.16 | 23.25 | 19.43 | 20.62 |
| INCOME BEFORE INTEREST EXPENSE | 9.43 | 21.08 | 12.76 | 15.71 |
| Interest expense | 4.09 | 3.04 | 3.03 | 2.67 |
| OPERATING INCOME | 5.34 | 18.04 | 9.73 | 13.04 |
| Other income | 0.72 | 1.39 | 1.97 | 2.46 |
| INCOME BEFORE INCOME TAXES | 6.06 | 19.43 | 11.70 | 15.50 |

| | SHEET-FED OFFSET | | WEB-FED OFFSET | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.43% | 3.72% | 3.12% | 2.96% |
| Direct wages | 30.42 | 23.84 | 34.51 | 26.81 |
| General factory salaries and wages | 4.79 | 4.49 | 3.26 | 4.90 |
| Packing, shipping and delivery wages | 1.57 | 1.16 | 1.03 | 1.55 |
| Payroll taxes | 2.65 | 1.72 | 2.75 | 2.39 |
| Employee benefits | 2.89 | 3.76 | 5.59 | 6.43 |
| TOTAL FACTORY PAYROLL | 45.75 | 38.69 | 50.26 | 45.04 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.94 | 0.61 | 0.20 | 0.29 |
| Depreciation - other | 4.45 | 5.00 | 2.93 | 3.30 |
| Taxes - real estate | 0.44 | 0.52 | 0.59 | 0.40 |
| Taxes - other | 0.37 | 0.39 | 0.26 | 0.39 |
| Insurance | 0.78 | 0.77 | 0.48 | 0.44 |
| Building rent | 1.41 | 0.24 | 2.03 | 1.67 |
| Utilities - heat, light, etc. | 1.82 | 1.52 | 1.97 | 1.72 |
| Equipment rental | 0.62 | 0.04 | 0.42 | 0.37 |
| Total Fixed Expenses | 10.83 | 9.09 | 8.88 | 8.58 |
| Other Expenses | | | | |
| Factory supplies and expense | 3.57 | 2.42 | 2.70 | 2.90 |
| Packing, shipping and delivery expense | 1.47 | 0.99 | 1.47 | 1.75 |
| Repairs and maintenance | 2.66 | 2.64 | 1.98 | 2.24 |
| Other factory expenses | 1.13 | 1.84 | 2.52 | 3.16 |
| Total Other Expenses | 8.83 | 7.89 | 8.67 | 10.05 |
| TOTAL FACTORY EXPENSES | 19.66 | 16.98 | 17.55 | 18.63 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 3.55 | 2.90 | 3.59 | 3.79 |
| Salaries - office | 4.17 | 2.68 | 3.14 | 2.63 |
| Payroll taxes | 0.59 | 0.34 | 0.33 | 0.29 |
| Employee benefits | 0.55 | 0.50 | 0.83 | 1.09 |
| Bad debts | 0.97 | 0.51 | 0.28 | 0.37 |
| Office supplies and expenses | 0.79 | 0.46 | 0.59 | 0.50 |
| Professional fees | 0.98 | 0.68 | 0.58 | 0.56 |
| Taxes - business | 0.42 | 0.46 | 0.08 | 0.08 |
| Telephone | 0.81 | 0.69 | 0.70 | 0.72 |
| Other administrative expenses | 2.15 | 1.93 | 1.12 | 1.65 |
| TOTAL ADMINISTRATIVE EXPENSES | 14.98 | 11.15 | 11.24 | 11.68 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.20 | 1.77 | 0.74 | 1.11 |
| Salaries and commissions - salesmen | 4.09 | 4.17 | 3.54 | 3.39 |
| Salaries - sales office clerical | 1.44 | 1.54 | 0.85 | 1.27 |
| Payroll taxes | 0.30 | 0.29 | 0.24 | 0.26 |
| Employee benefits | 0.35 | 0.51 | 0.63 | 0.89 |
| Advertising | 0.50 | 1.44 | 0.55 | 0.44 |
| Travel and entertainment | 1.27 | 1.28 | 1.07 | 0.92 |
| Other selling expenses | 1.03 | 1.10 | 0.57 | 0.66 |
| TOTAL SELLING EXPENSES | 10.18 | 12.10 | 8.19 | 8.94 |

## REPORT ON OPERATIONS - SALES = 100%

| | SHEET-FED OFFSET | | WEB-FED OFFSET | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 20.51 | 20.94 | 29.89 | 29.91 |
| Other chargeable materials | 8.06 | 8.46 | 6.93 | 8.03 |
| Outside services | 8.50 | 7.21 | 5.38 | 3.80 |
| TOTAL MATERIAL | 37.07 | 36.61 | 42.20 | 41.74 |
| FACTORY PAYROLL | 29.01 | 24.65 | 29.14 | 26.43 |
| FACTORY EXPENSES | 12.25 | 10.83 | 10.18 | 10.90 |
| TOTAL FACTORY COST OF PRODUCT | 78.33 | 72.09 | 81.52 | 79.07 |
| GROSS PROFIT | 21.67 | 27.91 | 18.48 | 20.93 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 9.26 | 7.05 | 6.49 | 6.79 |
| Selling expenses | 6.42 | 7.74 | 4.73 | 5.19 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 15.68 | 14.79 | 11.22 | 11.98 |
| INCOME BEFORE INTEREST EXPENSE | 5.99 | 13.12 | 7.26 | 8.95 |
| Interest expense | 2.51 | 1.77 | 1.67 | 1.45 |
| OPERATING INCOME | 3.48 | 11.35 | 5.59 | 7.50 |
| Other income | 0.50 | 0.92 | 1.20 | 1.52 |
| INCOME BEFORE INCOME TAXES | 3.98 | 12.27 | 6.79 | 9.02 |

## SUPPORTING SCHEDULES - SALES = 100%

| | SHEET-FED OFFSET ALL FIRMS | SHEET-FED OFFSET PROFIT LEADERS | WEB-FED OFFSET ALL FIRMS | WEB-FED OFFSET PROFIT LEADERS |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 1.50% | 0.46% | 1.52% | 1.55% |
| Film | 1.66 | 2.13 | 1.65 | 1.71 |
| Plates | 1.80 | 1.23 | 2.45 | 2.32 |
| Other chargeable materials | 3.10 | 4.64 | 1.31 | 2.45 |
| TOTAL OTHER CHARGEABLE MATERIALS | 8.06 | 8.46 | 6.93 | 8.03 |
| OUTSIDE SERVICES | | | | |
| Composition | 1.13 | 0.22 | 0.31 | 0.24 |
| Offset preparation | 1.89 | 0.31 | 0.20 | 0.09 |
| Printing | 0.69 | 0.31 | 0.84 | 0.39 |
| Binding | 3.99 | 5.54 | 2.42 | 2.22 |
| Other outside services | 0.80 | 0.83 | 1.61 | 0.86 |
| TOTAL OUTSIDE SERVICES | 8.50 | 7.21 | 5.38 | 3.80 |

| | SHEET-FED OFFSET | | WEB-FED OFFSET | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.14% | 2.31% | 1.83% | 1.78% |
| Direct wages | 19.63 | 15.01 | 20.00 | 15.79 |
| General factory salaries and wages | 2.65 | 3.00 | 1.88 | 2.81 |
| Packing, shipping and delivery wages | 1.02 | 0.75 | 0.60 | 0.90 |
| Payroll taxes | 1.69 | 1.14 | 1.60 | 1.41 |
| Employee benefits | 1.88 | 2.44 | 3.23 | 3.74 |
| TOTAL FACTORY PAYROLL | 29.01 | 24.65 | 29.14 | 26.43 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.59 | 0.39 | 0.12 | 0.18 |
| Depreciation - other | 2.73 | 3.16 | 1.71 | 1.95 |
| Taxes - real estate | 0.28 | 0.33 | 0.33 | 0.22 |
| Taxes - other | 0.22 | 0.26 | 0.15 | 0.22 |
| Insurance | 0.46 | 0.48 | 0.28 | 0.25 |
| Building rent | 0.87 | 0.13 | 1.15 | 0.94 |
| Utilities - heat, light, etc. | 1.17 | 0.97 | 1.16 | 1.03 |
| Equipment rental | 0.40 | 0.03 | 0.24 | 0.22 |
| Total Fixed Expenses | 6.72 | 5.75 | 5.14 | 5.01 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.28 | 1.51 | 1.58 | 1.71 |
| Packing, shipping and delivery expense | 0.89 | 0.65 | 0.85 | 1.02 |
| Repairs and maintenance | 1.64 | 1.69 | 1.14 | 1.30 |
| Other factory expenses | 0.72 | 1.23 | 1.47 | 1.86 |
| Total Other Expenses | 5.53 | 5.08 | 5.04 | 5.89 |
| TOTAL FACTORY EXPENSES | 12.25 | 10.83 | 10.18 | 10.90 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.22 | 1.77 | 2.10 | 2.20 |
| Salaries - office | 2.54 | 1.71 | 1.81 | 1.53 |
| Payroll taxes | 0.36 | 0.22 | 0.19 | 0.17 |
| Employee benefits | 0.36 | 0.32 | 0.48 | 0.64 |
| Bad debts | 0.55 | 0.35 | 0.15 | 0.21 |
| Office supplies and expenses | 0.48 | 0.28 | 0.34 | 0.30 |
| Professional fees | 0.63 | 0.43 | 0.34 | 0.33 |
| Taxes - business | 0.26 | 0.30 | 0.04 | 0.05 |
| Telephone | 0.51 | 0.43 | 0.40 | 0.42 |
| Other administrative expenses | 1.35 | 1.24 | 0.64 | 0.94 |
| TOTAL ADMINISTRATIVE EXPENSES | 9.26 | 7.05 | 6.49 | 6.79 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.76 | 1.10 | 0.43 | 0.64 |
| Salaries and commissions - salesmen | 2.60 | 2.71 | 2.03 | 1.96 |
| Salaries - sales office clerical | 0.90 | 1.02 | 0.49 | 0.74 |
| Payroll taxes | 0.19 | 0.19 | 0.14 | 0.15 |
| Employee benefits | 0.22 | 0.33 | 0.37 | 0.52 |
| Advertising | 0.32 | 0.88 | 0.32 | 0.26 |
| Travel and entertainment | 0.79 | 0.82 | 0.62 | 0.54 |
| Other selling expenses | 0.64 | 0.69 | 0.33 | 0.38 |
| TOTAL SELLING EXPENSES | 6.42 | 7.74 | 4.73 | 5.19 |

## BALANCE SHEET

| | SHEET-FED OFFSET | | WEB-FED OFFSET | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 2.76% | 0.86% | 4.24% | 6.05% |
| Receivables | 35.45 | 34.71 | 40.71 | 33.21 |
| Inventories | 19.37 | 17.80 | 19.44 | 15.79 |
| Other current assets | 2.56 | 2.94 | 2.75 | 3.50 |
| TOTAL CURRENT ASSETS | 60.14 | 56.31 | 67.14 | 58.55 |
| FIXED ASSETS | | | | |
| Real estate | 14.63 | 18.81 | 6.29 | 9.44 |
| Less: Accumulated depreciation | 4.41 | 7.11 | 1.92 | 2.88 |
| | 10.22 | 11.70 | 4.37 | 6.56 |
| Machinery and equipment | 60.57 | 47.31 | 57.22 | 58.48 |
| Less: Accumulated depreciation | 36.36 | 22.59 | 32.96 | 28.47 |
| | 24.21 | 24.72 | 24.26 | 30.01 |
| Other fixed assets | 4.90 | 5.37 | 4.45 | 4.40 |
| Less: Accumulated depreciation | 2.14 | 1.37 | 2.38 | 2.39 |
| | 2.76 | 4.00 | 2.07 | 2.01 |
| NET FIXED ASSETS | 37.19 | 40.42 | 30.70 | 38.58 |
| OTHER ASSETS | 2.67 | 3.27 | 2.16 | 2.87 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 13.14 | 9.27 | 10.30 | 3.71 |
| Accounts payable | 15.71 | 12.76 | 17.11 | 12.48 |
| Other current liabilities | 10.23 | 7.35 | 11.35 | 12.41 |
| TOTAL CURRENT LIABILITIES | 39.08 | 29.38 | 38.76 | 28.60 |
| LONG-TERM LIABILITIES | 25.81 | 15.80 | 15.41 | 16.10 |
| TOTAL LIABILITIES | 64.89 | 45.18 | 54.17 | 44.70 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 35.11 | 54.82 | 45.83 | 55.30 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.54 | 1.92 | 1.73 | 2.05 |
| QUICK RATIO | 1.04 | 1.31 | 1.23 | 1.50 |
| TOTAL LIABILITIES TO EQUITY | 1.85 | 0.82 | 1.18 | 0.81 |
| LONG-TERM LIABILITIES TO EQUITY | 0.74 | 0.29 | 0.34 | 0.29 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.60 | 0.48 | 0.58 | 0.49 |

## SIGNIFICANT FACTS

| | SHEET-FED OFFSET | | WEB-FED OFFSET | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 31,554 | $ 39,213 | $ 26,602 | $ 30,777 |
| Average assets per factory employee (Excluding Executives) | 60,379 | 51,350 | 33,065 | 38,201 |
| Average net worth per employee - All employees | 10,696 | 21,490 | 12,447 | 16,626 |
| Average gross plant investment per factory employee (Excluding Executives) | 44,826 | 36,451 | 22,826 | 27,758 |
| Net worth percentage of fixed assets | 105.58% | 155.36% | 159.58% | 158.77% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 76.59% | 80.68% | 84.63% | 84.32% |
| Percent administrative - All employees | 14.58 | 9.99 | 9.86 | 9.19 |
| Percent sales - All employees | 8.83 | 9.33 | 5.51 | 6.49 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 55,803 | $ 68,541 | $ 63,493 | $ 69,833 |
| Sales per factory employee | 83,879 | 84,788 | 75,532 | 83,504 |
| Sales less material per factory employee | 52,841 | 53,001 | 43,360 | 48,093 |
| Sales per administrative employee | 494,063 | 684,744 | 669,054 | 776,267 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 63,562 | 76,388 | 68,327 | 74,872 |
| Sales per factory employee | 107,611 | 89,930 | 79,122 | 87,236 |
| Sales less material per factory employee | 68,420 | 56,158 | 45,443 | 50,280 |
| SALES PER SALESMAN | 778,347 | 600,156 | 1,378,271 | 1,458,912 |
| SALES TO CURRENT ASSETS | 325% | 315% | 380% | 397% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 39.17% | 34.01% | 37.18% | 35.00% |
| Factory payroll percentage of gross plant investment | 72.53 | 62.53 | 112.99 | 85.07 |
| Payroll per employee - All employees | $ 20,826 | $ 21,386 | $ 23,042 | $ 24,052 |
| Payroll per factory employee | 23,608 | 19,071 | 21,050 | 21,331 |
| Payroll per administrative employee | 23,372 | 25,569 | 29,788 | 34,214 |
| Payroll per sales employee | 31,385 | 39,091 | 43,126 | 47,726 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 17,286 | $ 15,874 | $ 17,570 | $ 17,353 |
| Payroll per factory employee | 22,823 | 15,016 | 16,808 | 16,434 |
| Payroll per administrative employee | 13,825 | 13,699 | 15,410 | 15,095 |
| Payroll per sales employee | 23,923 | 22,260 | 35,105 | 36,990 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 37,292 | 43,647 | 40,600 | 48,510 |
| Payroll per factory executive | 35,033 | 40,063 | 26,522 | 33,577 |
| Payroll per administrative executive | 41,551 | 49,627 | 58,204 | 74,151 |
| Payroll per sales executive | 30,373 | 42,420 | 45,770 | 68,656 |
| RECEIVABLES | | | | |
| Collection period | 71.8 | 77.6 | 60.8 | 54.4 |
| PROFIT | | | | |
| Gross profit percentage of sales | 21.67% | 27.91% | 18.48% | 20.93% |
| Average gross profit per factory employee | $ 25,754 | $ 26,666 | $ 15,398 | $ 18,721 |
| Income before taxes percentage of sales | 3.98% | 12.27% | 6.79% | 9.02% |
| Average income before taxes per employee | $ 2,831 | $ 9,476 | $ 4,581 | $ 6,270 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | SHEET-FED OFFSET | | WEB-FED OFFSET | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 1.59 | $ 0.44 | $ 1.48 | $ 2.13 |
| Receivables | 18.79 | 20.60 | 16.40 | 14.52 |
| Inventories | 11.08 | 10.24 | 7.73 | 6.91 |
| Marketable securities | 0.27 | 1.13 | 1.11 | 1.67 |
| Other current assets | 1.13 | 0.61 | 0.45 | 0.41 |
| | 32.86 | 33.02 | 27.17 | 25.64 |
| Plant Investment: | | | | |
| Land and building | 9.57 | 11.18 | 3.53 | 5.29 |
| Machinery and equipment | 32.29 | 28.90 | 24.07 | 26.65 |
| Other fixed assets | 2.23 | 3.02 | 1.75 | 1.81 |
| | 44.09 | 43.10 | 29.35 | 33.75 |
| Non-Current Assets | 1.76 | 2.09 | 1.28 | 1.77 |
| TOTAL INVESTMENT | 78.71 | 78.21 | 57.80 | 61.16 |
| INVESTMENT TURNOVER PER $100 OF SALES | 127.05% | 127.86% | 173.01% | 163.51% |
| EARNINGS | | | | |
| Cost of Product | $78.33 | $72.09 | $81.52 | $79.07 |
| Selling Expenses | 6.42 | 7.74 | 4.73 | 5.19 |
| Administrative Expenses | 9.26 | 7.05 | 6.49 | 6.79 |
| | 94.01 | 86.88 | 92.74 | 91.05 |
| Income Before Interest, Other Income, and Taxes | 5.99 | 13.12 | 7.26 | 8.95 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 7.61% | 16.78% | 12.56% | 14.63% |

## ABSOLUTE DATA

| | | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | NUMBER OF PARTICIPATING FIRMS | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL FIRMS | 36 | $ 3,660,000 | $ 7,056,000 | $ 388,000 |
| TOTAL - PROFIT LEADERS* | 11 | 5,948,000 | 11,074,000 | 1,108,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| $250,000-$500,000 | 2 | 168,000 | 392,000 | 29,000 |
| $500,000-$1,500,000 | 4 | 806,000 | 1,117,000 | 47,000 |
| $1,500,000-$5,000,000 | 11 | 1,668,000 | 3,152,000 | 83,000 |
| $5,000,000-$10,000,000 | 11 | 3,558,000 | 6,662,000 | 201,000 |
| Over $10,000,000 | 8 | 8,837,000 | 17,600,000 | 1,326,000 |
| PROFIT LEADERS | | | | |
| $5,000,000-$10,000,000 | 4 | 3,571,000 | 6,400,000 | 555,000 |
| Over $10,000,000 | 5 | 10,035,000 | 18,823,000 | 1,919,000 |
| BY PRODUCT SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Printing and Binding | 30 | 3,865,000 | 7,418,000 | 391,000 |
| Printing Only | 5 | 1,996,000 | 4,107,000 | 24,000 |
| PROFIT LEADERS | | | | |
| Printing and Binding | 10 | 5,959,000 | 11,089,000 | 1,006,000 |
| BY PROCESS SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Sheet-Fed Offset | 28 | 3,261,000 | 6,005,000 | 289,000 |
| Web-Fed Offset | 6 | 5,890,000 | 12,560,000 | 1,039,000 |
| PROFIT LEADERS | | | | |
| Sheet-Fed Offset | 6 | 5,587,000 | 9,336,000 | 1,025,000 |
| Web-Fed Offset | 4 | 7,916,000 | 16,327,000 | 1,496,000 |

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 36.

## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| | | | % of Sales | |
|---|---|---|---|---|
| Firm | Sales | Factory Payroll | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = 20.7% | |

A8740-1.9

**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# Large Printing Firms

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Printing Industries of America Inc.

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR LARGE PRINTERS. This year a total of 104 firms classified as large printers (annual sales volume of $10,000,000 or more) in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance. Among these respondents, 36 firms may be considered "Profit Leaders", earning eight percent or greater pretax profits on sales. Such widespread participation has made these annual PIA Ratio Studies the most comprehensive financial reports available on the health of the graphic arts industry.

This book presents the ratios and statistics by sales volume - for example $10 to $20 million, $20 to $40 million, etc.; and product specialty - for example, Commercial and Advertising, Magazine and Periodical, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume
  + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in ***All Printers by Sales Volume***.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

Bill Howe
Director Management Services
Printing Industries of America, Inc.
1730 N. Lynn Street
Arlington, VA 22209 — 703-841-8136

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Printing Industries of America, Inc. recognizes that the industry's largest printing firms have some unique needs which are not generally being met in the industry. For this reason PIA has developed programs and services for the benefit of these companies. One of these services is this special ratio study undertaken exclusively for companies of this size. Another effort on the part of PIA to meet the needs of large firms is the Conference Board of Major Printers. Listed below is information regarding this PIA special section.

- CBMP is the only organization dedicated to the needs of the large printers.
- Membership is limited to Chief Executive Officers of selected printing companies.
- CBMP pursues specific projects of special interest to large printers, via special presentations at the Quarterly Meetings, and via monthly *UP-DATE SURVEYS* and *REPORTS* on current topics of interest.
- CBMP represents the interests of the major printers within PIA, by assuring that appropriate PIA programs are offered to its members.
- CBMP provides basic leadership to the printing industry as a whole.
- CBMP studies the impact of government regulations and legislation on the large printing organizations.
- CBMP studies the impact on large printers of suppliers of equipment and materials.
- CBMP strives toward better understanding of customer needs through its own special studies.
- CBMP is comprised of over 40 member companies who produce every type of printed product.

Terry A Nagi

Terry A. Nagi, Executive Director
Conference Board of Major Printers
(703) 841-8168

# VALUE ADDED -- A MANAGERIAL ACCOUNTING CONCEPT AIMED AT HIGHER PROFITS

## What is Value Added?

Value Added is a technical term for sales of your company's own manufacture. It is calculated as sales less material costs and outside purchases.

| | | |
|---|---|---|
| SALES | | $100 |
| LESS: MATERIALS | | |
| Paper | $22 | |
| Other chargeable materials | 6 | |
| Outside services | 7 | |
| | | 35 |
| VALUE ADDED | | $ 65 |

The relationship between Value Added and profit performance stems from one basic principle of accounting: Profit is achieved from sales of your company's own manufacture. To successfully use the Value Added concept in achieving profit objectives, your printing firm would be wise to do everything inside its own plant that it is capable of doing.

## "Good Sales" and "Better Sales"

Within any relevant range of operations, for example, $800,000 to $1,000,000 of annual sales, a printing firm's total expenses do not significantly change. This means that inside sales -- those providing Value Added -- are the ones that pay overhead costs and provide a profit. What all printing firms should do then, is to maximize their Value Added.

## Value Added

All sales, however, do not contribute equally to fixed costs and profits. While there are no "bad sales" in the printing industry, there are "good sales" and "better sales." Good sales are those that require more than an average amount of materials and outside services. Their Value Added comes from the mark-up on materials, cost center costs, and profit. However, such sales contribute little to cover fixed costs and to provide a profit. On the other hand, better sales require fewer materials and outside services and have a greater amount of the more critical inside sales. As a result, they pay more dollars to cover overhead and to provide a profit.

## Profit and Loss Statements

In keeping with the Value Added concept, profit and loss statements are more meaningful when prepared on the basis of inside sales. Take, for example, the following two companies. One company has sales of $125,000 per month and produces $65,000 of Value Added. The other company has sales of $90,000 that provide $75,000 of Value Added. Even though its sales are lower, the second company yields $10,000 more with which to cover overhead. All too frequently, printing firms consider sales as the sole criterion of profit when, in fact, Value Added is always the better indicator.

## Salesmen's Compensation

The concept of Value Added also has an important ramification as to how printing companies compensate their salesmen. A typical commission based on total sales dollars, regardless of Value Added, provides little motivation for salesmen to seek out better sales -- those with a higher percentage of Value Added. Furthermore, when salesmen do bring in the better sales, they are not properly rewarded for obtaining jobs that are particularly profitable. Basing compensation on Value Added is a much more equitable system for both the company and its salesmen.

## Materials Mark-Up

Finally, Value Added gives printing firms a system with which to recover both direct and indirect overhead associated with materials mark-up handling. For example, if a printing firm's policy is to mark up the total cost of all jobs by 10 percent, it is ignoring the concept of Value Added. A sounder policy is to institute materials as a cost center and then to establish a mark up policy based on the material portion of the job.

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 46.79 | 42.47 | 47.66 | 42.23 |
| FACTORY EXPENSES | 20.09 | 18.87 | 20.03 | 19.82 |
| TOTAL FACTORY COST OF PRODUCT | 66.88 | 61.34 | 67.69 | 62.05 |
| GROSS PROFIT | 33.12 | 38.66 | 32.31 | 37.95 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 10.00 | 8.34 | 9.83 | 8.44 |
| Selling expenses | 10.58 | 10.02 | 11.08 | 10.37 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 20.58 | 18.36 | 20.91 | 18.81 |
| INCOME BEFORE INTEREST EXPENSE | 12.54 | 20.30 | 11.40 | 19.14 |
| Interest expense | 3.33 | 2.57 | 3.58 | 2.66 |
| OPERATING INCOME | 9.21 | 17.73 | 7.82 | 16.48 |
| Other income | 1.28 | 1.76 | 1.45 | 2.57 |
| INCOME BEFORE INCOME TAXES | 10.49 | 19.49 | 9.27 | 19.05 |

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* See page 10 for the definition of "Profit Leaders."

** Sample insufficient for "Profit Leaders."

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| X | X | X | X | X |
| X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 45.62 | 41.78 | 49.39 | 47.32 | 35.81 |
| 19.83 | 17.53 | 22.32 | 19.05 | 20.00 |
| 65.45 | 59.31 | 71.71 | 66.37 | 55.81 |
| 34.55 | 40.69 | 28.29 | 33.63 | 44.19 |
| 10.69 | 8.99 | 5.94 | 4.75 | 13.20 |
| 10.06 | 10.21 | 5.67 | 6.82 | 20.85 |
| 20.75 | 19.20 | 11.61 | 11.57 | 34.05 |
| 13.80 | 21.49 | 16.68 | 22.06 | 10.14 |
| 3.09 | 2.55 | 2.46 | 2.04 | 2.24 |
| 10.71 | 18.94 | 14.22 | 20.02 | 7.90 |
| 0.93 | 0.65 | 1.97 | 1.82 | 1.41 |
| 11.64 | 19.59 | 16.19 | 21.84 | 9.31 |

## SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.47% | 2.39% | 2.55% | 2.19% |
| Direct wages | 29.27 | 27.07 | 30.65 | 26.95 |
| General factory salaries and wages | 5.75 | 4.65 | 5.21 | 4.77 |
| Packing, shipping and delivery wages | 1.67 | 1.13 | 1.81 | 1.21 |
| Payroll taxes | 2.68 | 2.16 | 2.84 | 2.37 |
| Employee benefits | 4.95 | 5.07 | 4.60 | 4.74 |
| TOTAL FACTORY PAYROLL | 46.79 | 42.47 | 47.66 | 42.23 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.51 | 0.41 | 0.68 | 0.57 |
| Depreciation - other | 4.44 | 4.73 | 4.68 | 5.10 |
| Taxes - real estate | 0.40 | 0.47 | 0.40 | 0.47 |
| Taxes - other | 0.27 | 0.25 | 0.33 | 0.35 |
| Insurance | 0.41 | 0.29 | 0.41 | 0.33 |
| Building rent | 0.86 | 1.00 | 0.90 | 1.14 |
| Utilities - heat, light, etc. | 2.29 | 2.20 | 2.16 | 2.23 |
| Equipment rental | 0.65 | 0.63 | 0.60 | 0.82 |
| Total Fixed Expenses | 9.83 | 9.98 | 10.16 | 11.01 |
| Other Expenses | | | | |
| Factory supplies and expense | 4.07 | 3.49 | 3.75 | 3.71 |
| Packing, shipping and delivery expense | 2.11 | 1.53 | 1.99 | 1.14 |
| Repairs and maintenance | 2.63 | 2.44 | 2.70 | 2.61 |
| Other factory expenses | 1.45 | 1.43 | 1.43 | 1.35 |
| Total Other Expenses | 10.26 | 8.89 | 9.87 | 8.81 |
| TOTAL FACTORY EXPENSES | 20.09 | 18.87 | 20.03 | 19.82 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.96 | 1.89 | 2.05 | 1.93 |
| Salaries - office | 2.58 | 1.91 | 2.45 | 2.00 |
| Payroll taxes | 0.29 | 0.22 | 0.29 | 0.25 |
| Employee benefits | 0.66 | 0.64 | 0.58 | 0.68 |
| Bad debts | 0.63 | 0.48 | 0.64 | 0.34 |
| Office supplies and expenses | 0.48 | 0.35 | 0.46 | 0.35 |
| Professional fees | 0.68 | 0.59 | 0.70 | 0.63 |
| Taxes - business | 0.16 | 0.17 | 0.21 | 0.27 |
| Telephone | 0.51 | 0.41 | 0.55 | 0.43 |
| Other administrative expenses | 2.05 | 1.68 | 1.90 | 1.56 |
| TOTAL ADMINISTRATIVE EXPENSES | 10.00 | 8.34 | 9.83 | 8.44 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.07 | 0.92 | 1.21 | 0.97 |
| Salaries and commissions - salesmen | 4.75 | 4.62 | 5.06 | 4.51 |
| Salaries - sales office clerical | 1.21 | 0.93 | 1.35 | 1.06 |
| Payroll taxes | 0.27 | 0.22 | 0.30 | 0.28 |
| Employee benefits | 0.55 | 0.57 | 0.52 | 0.59 |
| Advertising | 0.42 | 0.43 | 0.42 | 0.33 |
| Travel and entertainment | 1.07 | 0.85 | 1.14 | 0.95 |
| Other selling expenses | 1.24 | 1.48 | 1.08 | 1.68 |
| TOTAL SELLING EXPENSES | 10.58 | 10.02 | 11.08 | 10.37 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| 2.56% | 2.91% | 0.92% | 1.31% | 3.24% |
| 27.47 | 25.97 | 32.59 | 33.05 | 19.28 |
| 5.99 | 4.12 | 7.94 | 6.38 | 6.11 |
| 1.51 | 1.18 | 1.19 | 0.43 | 2.78 |
| 2.56 | 2.10 | 1.97 | 1.07 | 1.87 |
| 5.53 | 5.50 | 4.78 | 5.08 | 2.53 |
| 45.62 | 41.78 | 49.39 | 47.32 | 35.81 |
| | | | | |
| 0.28 | 0.21 | 0.52 | 0.35 | 0.25 |
| 4.04 | 4.18 | 4.84 | 5.09 | 3.41 |
| 0.35 | 0.43 | 0.60 | 0.63 | 0.74 |
| 0.21 | 0.14 | 0.23 | 0.14 | 0.06 |
| 0.39 | 0.25 | 0.55 | 0.15 | 0.64 |
| 0.90 | 0.99 | 0.11 | 0.13 | 1.16 |
| 2.47 | 2.17 | 2.47 | 2.12 | 2.14 |
| 0.65 | 0.37 | 1.04 | 0.70 | 0.92 |
| 9.29 | 8.74 | 10.36 | 9.31 | 9.32 |
| 4.43 | 3.04 | 5.51 | 4.08 | 3.33 |
| 2.26 | 2.14 | 1.22 | 1.12 | 3.74 |
| 2.42 | 2.20 | 3.49 | 2.50 | 2.17 |
| 1.43 | 1.41 | 1.74 | 2.04 | 1.44 |
| 10.54 | 8.79 | 11.96 | 9.74 | 10.68 |
| 19.83 | 17.53 | 22.32 | 19.05 | 20.00 |
| | | | | |
| 1.94 | 2.08 | 0.79 | 0.69 | 2.82 |
| 2.87 | 1.92 | 1.67 | 1.39 | 4.11 |
| 0.32 | 0.22 | 0.10 | 0.03 | 0.39 |
| 0.82 | 0.66 | 0.25 | 0.31 | 0.75 |
| 0.57 | 0.68 | 1.05 | 0.46 | 0.50 |
| 0.53 | 0.39 | 0.28 | 0.19 | 0.60 |
| 0.73 | 0.63 | 0.20 | 0.16 | 0.53 |
| 0.12 | 0.06 | 0.02 | 0.03 | 0.19 |
| 0.45 | 0.42 | 0.26 | 0.26 | 0.69 |
| 2.34 | 1.93 | 1.32 | 1.23 | 2.62 |
| 10.69 | 8.99 | 5.94 | 4.75 | 13.20 |
| | | | | |
| 0.84 | 0.86 | 0.66 | 0.95 | 3.20 |
| 4.47 | 5.13 | 2.39 | 2.79 | 7.14 |
| 0.99 | 0.73 | 0.96 | 1.09 | 2.68 |
| 0.27 | 0.17 | 0.08 | 0.04 | 0.27 |
| 0.60 | 0.60 | 0.27 | 0.31 | 1.23 |
| 0.44 | 0.57 | 0.31 | 0.46 | 0.30 |
| 1.00 | 0.74 | 0.54 | 0.66 | 1.86 |
| 1.45 | 1.41 | 0.46 | 0.52 | 4.17 |
| 10.06 | 10.21 | 5.67 | 6.82 | 20.85 |

## REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 28.00 | 25.57 | 25.93 | 21.80 |
| Other chargeable materials | 8.23 | 9.02 | 8.50 | 9.94 |
| Outside services | 5.33 | 5.03 | 5.89 | 5.81 |
| TOTAL MATERIAL | 41.56 | 39.62 | 40.32 | 37.55 |
| FACTORY PAYROLL | 27.35 | 25.78 | 28.43 | 26.52 |
| FACTORY EXPENSES | 11.66 | 11.30 | 11.87 | 12.31 |
| TOTAL FACTORY COST OF PRODUCT | 80.57 | 76.70 | 80.62 | 76.38 |
| GROSS PROFIT | 19.43 | 23.30 | 19.38 | 23.62 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 5.93 | 5.20 | 5.90 | 5.38 |
| Selling expenses | 6.26 | 6.16 | 6.69 | 6.64 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 12.19 | 11.36 | 12.59 | 12.02 |
| INCOME BEFORE INTEREST EXPENSE | 7.24 | 11.94 | 6.79 | 11.60 |
| Interest expense | 1.83 | 1.43 | 1.99 | 1.46 |
| OPERATING INCOME | 5.41 | 10.51 | 4.80 | 10.14 |
| Other income | 0.72 | 1.06 | 0.86 | 1.62 |
| INCOME BEFORE INCOME TAXES | 6.13 | 11.57 | 5.66 | 11.76 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 4.67% | 5.24% | 4.13% | 4.51% |
| Film | 0.98 | 1.04 | 1.54 | 1.81 |
| Plates | 1.26 | 1.07 | 1.43 | 1.22 |
| Other chargeable materials | 1.32 | 1.67 | 1.40 | 2.40 |
| TOTAL OTHER CHARGEABLE MATERIALS | 8.23 | 9.02 | 8.50 | 9.94 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.23 | 0.09 | 0.32 | 0.13 |
| Offset preparation | 0.95 | 0.83 | 1.18 | 0.95 |
| Printing | 0.73 | 0.69 | 0.99 | 0.91 |
| Binding | 1.54 | 1.58 | 1.40 | 1.16 |
| Other outside services | 1.88 | 1.84 | 2.00 | 2.66 |
| TOTAL OUTSIDE SERVICES | 5.33 | 5.03 | 5.89 | 5.81 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Sample insufficient for "Profit Leaders."

| SALES FROM $20 TO $40 MILLION |  | SALES FROM $40 TO $80 MILLION |  | SALES FROM $80 TO $160 MILLION** |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 30.32 | 29.44 | 33.85 | 31.43 | 29.59 |
| 7.56 | 7.37 | 10.43 | 10.94 | 7.10 |
| 4.99 | 4.53 | 2.98 | 2.41 | 3.43 |
| 42.87 | 41.34 | 47.26 | 44.78 | 40.12 |
| 26.14 | 24.70 | 25.92 | 26.09 | 21.25 |
| 11.25 | 10.10 | 11.68 | 10.50 | 11.94 |
| 80.26 | 76.14 | 84.86 | 81.37 | 73.31 |
| 19.74 | 23.86 | 15.14 | 18.63 | 26.69 |
| 6.27 | 5.51 | 3.10 | 2.61 | 7.84 |
| 5.77 | 6.01 | 3.03 | 3.76 | 12.68 |
| 12.04 | 11.52 | 6.13 | 6.37 | 20.52 |
| 7.70 | 12.34 | 9.01 | 12.26 | 6.17 |
| 1.65 | 1.47 | 1.30 | 1.14 | 1.33 |
| 6.05 | 10.87 | 7.71 | 11.12 | 4.84 |
| 0.46 | 0.32 | 1.03 | 0.98 | 0.81 |
| 6.51 | 11.19 | 8.74 | 12.10 | 5.65 |

|  |  |  |  |  |
|---|---|---|---|---|
| 4.90% | 5.42% | 6.49% | 7.12% | 4.25% |
| 0.48 | 0.28 | 0.47 | 0.79 | 0.76 |
| 1.05 | 1.05 | 1.58 | 0.80 | 0.71 |
| 1.13 | 0.62 | 1.89 | 2.23 | 1.38 |
| 7.56 | 7.37 | 10.43 | 10.94 | 7.10 |
| 0.13 | 0.07 | 0.29 | 0.01 | 0.07 |
| 0.64 | 0.69 | 1.10 | 0.71 | 0.79 |
| 0.48 | 0.47 | 0.38 | 0.53 | 0.70 |
| 1.83 | 2.06 | 0.36 | 0.58 | 1.41 |
| 1.91 | 1.24 | 0.85 | 0.58 | 0.46 |
| 4.99 | 4.53 | 2.98 | 2.41 | 3.43 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 1.45% | 1.45% | 1.51% | 1.32% |
| Direct wages | 17.01 | 16.31 | 18.13 | 16.83 |
| General factory salaries and wages | 3.39 | 2.87 | 3.21 | 3.11 |
| Packing, shipping and delivery wages | 0.95 | 0.68 | 1.06 | 0.76 |
| Payroll taxes | 1.58 | 1.36 | 1.70 | 1.53 |
| Employee benefits | 2.97 | 3.11 | 2.82 | 2.97 |
| TOTAL FACTORY PAYROLL | 27.35 | 25.78 | 28.43 | 26.52 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.30 | 0.25 | 0.40 | 0.36 |
| Depreciation - other | 2.54 | 2.81 | 2.78 | 3.12 |
| Taxes - real estate | 0.23 | 0.26 | 0.23 | 0.28 |
| Taxes - other | 0.17 | 0.16 | 0.21 | 0.23 |
| Insurance | 0.24 | 0.17 | 0.25 | 0.21 |
| Building rent | 0.50 | 0.62 | 0.52 | 0.70 |
| Utilities - heat, light, etc. | 1.34 | 1.31 | 1.29 | 1.38 |
| Equipment rental | 0.38 | 0.39 | 0.36 | 0.50 |
| Total Fixed Expenses | 5.70 | 5.97 | 6.04 | 6.78 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.35 | 2.07 | 2.21 | 2.32 |
| Packing, shipping and delivery expense | 1.22 | 0.88 | 1.14 | 0.70 |
| Repairs and maintenance | 1.51 | 1.47 | 1.59 | 1.62 |
| Other factory expenses | 0.88 | 0.91 | 0.89 | 0.89 |
| Total Other Expenses | 5.96 | 5.33 | 5.83 | 5.53 |
| TOTAL FACTORY EXPENSES | 11.66 | 11.30 | 11.87 | 12.31 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.15 | 1.17 | 1.24 | 1.25 |
| Salaries - office | 1.53 | 1.18 | 1.46 | 1.26 |
| Payroll taxes | 0.17 | 0.14 | 0.17 | 0.16 |
| Employee benefits | 0.39 | 0.40 | 0.36 | 0.45 |
| Bad debts | 0.37 | 0.33 | 0.36 | 0.22 |
| Office supplies and expenses | 0.28 | 0.21 | 0.27 | 0.22 |
| Professional fees | 0.41 | 0.37 | 0.42 | 0.39 |
| Taxes - business | 0.10 | 0.11 | 0.13 | 0.18 |
| Telephone | 0.30 | 0.25 | 0.33 | 0.27 |
| Other administrative expenses | 1.23 | 1.04 | 1.16 | 0.98 |
| TOTAL ADMINISTRATIVE EXPENSES | 5.93 | 5.20 | 5.90 | 5.38 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.65 | 0.56 | 0.74 | 0.60 |
| Salaries and commissions - salesmen | 2.77 | 2.79 | 3.05 | 2.95 |
| Salaries - sales office clerical | 0.70 | 0.55 | 0.79 | 0.66 |
| Payroll taxes | 0.16 | 0.14 | 0.18 | 0.18 |
| Employee benefits | 0.33 | 0.35 | 0.32 | 0.38 |
| Advertising | 0.27 | 0.29 | 0.27 | 0.22 |
| Travel and entertainment | 0.63 | 0.54 | 0.68 | 0.60 |
| Other selling expenses | 0.75 | 0.94 | 0.66 | 1.05 |
| TOTAL SELLING EXPENSES | 6.26 | 6.16 | 6.69 | 6.64 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| 1.49% | 1.77% | 0.50% | 0.73% | 1.95% |
| 15.70 | 15.20 | 17.16 | 18.22 | 11.38 |
| 3.36 | 2.40 | 4.12 | 3.49 | 3.72 |
| 0.82 | 0.66 | 0.59 | 0.23 | 1.60 |
| 1.49 | 1.30 | 1.02 | 0.61 | 1.09 |
| 3.28 | 3.37 | 2.53 | 2.81 | 1.51 |
| 26.14 | 24.70 | 25.92 | 26.09 | 21.25 |
| | | | | |
| 0.16 | 0.12 | 0.27 | 0.20 | 0.15 |
| 2.26 | 2.39 | 2.58 | 2.82 | 2.00 |
| 0.19 | 0.22 | 0.31 | 0.35 | 0.44 |
| 0.11 | 0.08 | 0.12 | 0.07 | 0.04 |
| 0.22 | 0.15 | 0.29 | 0.08 | 0.37 |
| 0.52 | 0.62 | 0.06 | 0.07 | 0.67 |
| 1.40 | 1.25 | 1.30 | 1.17 | 1.25 |
| 0.38 | 0.23 | 0.55 | 0.39 | 0.53 |
| 5.24 | 5.06 | 5.48 | 5.15 | 5.45 |
| 2.49 | 1.66 | 2.89 | 2.26 | 1.96 |
| 1.33 | 1.20 | 0.62 | 0.61 | 2.32 |
| 1.34 | 1.28 | 1.76 | 1.39 | 1.30 |
| 0.85 | 0.90 | 0.93 | 1.09 | 0.91 |
| 6.01 | 5.04 | 6.20 | 5.35 | 6.49 |
| 11.25 | 10.10 | 11.68 | 10.50 | 11.94 |
| | | | | |
| 1.08 | 1.24 | 0.40 | 0.38 | 1.67 |
| 1.70 | 1.14 | 0.87 | 0.76 | 2.44 |
| 0.19 | 0.14 | 0.05 | 0.02 | 0.23 |
| 0.47 | 0.39 | 0.14 | 0.17 | 0.44 |
| 0.37 | 0.49 | 0.55 | 0.25 | 0.30 |
| 0.31 | 0.23 | 0.15 | 0.10 | 0.35 |
| 0.44 | 0.40 | 0.10 | 0.09 | 0.31 |
| 0.06 | 0.03 | 0.01 | 0.02 | 0.11 |
| 0.25 | 0.24 | 0.14 | 0.14 | 0.40 |
| 1.40 | 1.21 | 0.69 | 0.68 | 1.59 |
| 6.27 | 5.51 | 3.10 | 2.61 | 7.84 |
| | | | | |
| 0.48 | 0.50 | 0.36 | 0.53 | 1.97 |
| 2.50 | 2.84 | 1.25 | 1.52 | 4.35 |
| 0.56 | 0.40 | 0.51 | 0.61 | 1.63 |
| 0.15 | 0.11 | 0.04 | 0.02 | 0.16 |
| 0.34 | 0.35 | 0.15 | 0.17 | 0.76 |
| 0.29 | 0.40 | 0.17 | 0.25 | 0.17 |
| 0.58 | 0.48 | 0.30 | 0.37 | 1.11 |
| 0.87 | 0.93 | 0.25 | 0.29 | 2.53 |
| 5.77 | 6.01 | 3.03 | 3.76 | 12.68 |

## BALANCE SHEET

|  | ALL FIRMS REPORTING |  | SALES FROM $10 TO $20 MILLION |  |
|---|---|---|---|---|
|  | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS |  |  |  |  |
| CURRENT ASSETS |  |  |  |  |
| Cash | 3.01% | 3.90% | 3.41% | 4.53% |
| Receivables | 30.76 | 30.34 | 30.57 | 29.50 |
| Inventories | 17.43 | 16.35 | 16.64 | 15.17 |
| Other current assets | 5.27 | 5.69 | 5.28 | 6.28 |
| TOTAL CURRENT ASSETS | 56.47 | 56.28 | 55.90 | 55.48 |
| FIXED ASSETS |  |  |  |  |
| Real estate | 14.06 | 12.87 | 13.99 | 13.28 |
| Less: Accumulated depreciation | 3.97 | 3.33 | 3.85 | 4.04 |
|  | 10.09 | 9.54 | 10.14 | 9.24 |
| Machinery and equipment | 54.40 | 53.58 | 55.70 | 53.52 |
| Less: Accumulated depreciation | 27.58 | 24.75 | 27.91 | 23.88 |
|  | 26.82 | 28.83 | 27.79 | 29.64 |
| Other fixed assets | 3.46 | 3.20 | 3.29 | 2.68 |
| Less: Accumulated depreciation | 1.47 | 1.55 | 1.37 | 1.27 |
|  | 1.99 | 1.65 | 1.92 | 1.41 |
| NET FIXED ASSETS | 38.90 | 40.02 | 39.85 | 40.29 |
| OTHER ASSETS | 4.63 | 3.70 | 4.25 | 4.23 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY |  |  |  |  |
| CURRENT LIABILITIES |  |  |  |  |
| Notes payable | 6.83 | 7.18 | 7.02 | 6.73 |
| Accounts payable | 13.09 | 11.01 | 13.36 | 11.11 |
| Other current liabilities | 10.42 | 10.64 | 10.07 | 10.25 |
| TOTAL CURRENT LIABILITIES | 30.34 | 28.83 | 30.45 | 28.09 |
| LONG-TERM LIABILITIES | 22.58 | 15.35 | 22.50 | 14.86 |
| TOTAL LIABILITIES | 52.92 | 44.18 | 52.95 | 42.95 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 47.08 | 55.82 | 47.05 | 57.05 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

|  |  |  |  |  |
|---|---|---|---|---|
| CURRENT RATIO | 1.86 | 1.95 | 1.84 | 1.98 |
| QUICK RATIO | 1.29 | 1.39 | 1.29 | 1.44 |
| TOTAL LIABILITIES TO EQUITY | 1.12 | 0.79 | 1.13 | 0.75 |
| LONG-TERM LIABILITIES TO EQUITY | 0.48 | 0.27 | 0.48 | 0.26 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.51 | 0.46 | 0.50 | 0.45 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| 2.88% | 3.47% | 0.16% | 1.92% | 1.48% |
| 31.81 | 32.49 | 23.34 | 25.55 | 33.04 |
| 18.73 | 17.98 | 16.76 | 16.26 | 20.83 |
| 4.19 | 3.52 | 15.12 | 12.09 | 3.70 |
| 57.61 | 57.46 | 55.38 | 55.82 | 59.05 |
| 14.06 | 12.32 | 15.37 | 12.89 | 9.91 |
| 3.81 | 1.99 | 6.55 | 5.09 | 3.48 |
| 10.25 | 10.33 | 8.82 | 7.80 | 6.43 |
| 50.81 | 50.22 | 61.86 | 69.64 | 54.96 |
| 26.28 | 23.54 | 32.78 | 35.94 | 23.52 |
| 24.53 | 26.68 | 29.08 | 33.70 | 31.44 |
| 4.13 | 4.31 | 1.45 | 1.40 | 2.44 |
| 1.75 | 2.10 | 0.81 | 0.81 | 1.44 |
| 2.38 | 2.21 | 0.64 | 0.59 | 1.00 |
| 37.16 | 39.22 | 38.54 | 42.09 | 38.87 |
| 5.23 | 3.32 | 6.08 | 2.09 | 2.08 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | |
| 6.51 | 6.89 | 7.72 | 11.43 | 7.36 |
| 12.98 | 10.62 | 11.09 | 12.30 | 15.26 |
| 11.91 | 12.35 | 5.82 | 5.14 | 4.45 |
| 31.40 | 29.86 | 24.63 | 28.87 | 27.07 |
| 22.75 | 16.25 | 18.96 | 14.19 | 23.23 |
| 54.15 | 46.11 | 43.59 | 43.06 | 50.30 |
| 45.85 | 53.89 | 56.41 | 56.94 | 49.70 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | |
| 1.83 | 1.92 | 2.25 | 1.93 | 2.18 |
| 1.24 | 1.32 | 1.57 | 1.37 | 1.41 |
| 1.18 | 0.86 | 0.77 | 0.76 | 1.01 |
| 0.50 | 0.30 | 0.34 | 0.25 | 0.47 |
| 0.52 | 0.47 | 0.53 | 0.52 | 0.43 |

## SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 48,542 | $ 54,165 | $ 42,645 | $ 48,849 |
| Average assets per factory employee (Excluding Executives) | 76,122 | 82,024 | 53,145 | 58,451 |
| Average net worth per employee - All employees | 21,236 | 28,606 | 18,397 | 25,000 |
| Average gross plant investment per factory employee (Excluding Executives) | 48,906 | 54,908 | 37,207 | 40,945 |
| Net worth percentage of fixed assets | 140.54% | 164.84% | 134.05% | 166.41% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 82.78% | 83.86% | 84.15% | 85.86% |
| Percent administrative - All employees | 9.09 | 8.29 | 7.94 | 7.12 |
| Percent sales - All employees | 8.13 | 7.85 | 7.91 | 7.02 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 84,728 | $ 95,532 | $ 74,250 | $ 82,680 |
| Sales per factory employee | 112,830 | 124,604 | 88,430 | 96,053 |
| Sales less material per factory employee | 64,546 | 72,846 | 51,178 | 57,722 |
| Sales per administrative employee | 1,147,977 | 1,368,922 | 1,080,377 | 1,260,520 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 91,368 | 104,280 | 78,168 | 86,542 |
| Sales per factory employee | 131,754 | 144,582 | 91,619 | 99,008 |
| Sales less material per factory employee | 75,679 | 84,836 | 53,043 | 59,477 |
| SALES PER SALESMAN | 1,832,849 | 1,912,156 | 1,317,775 | 1,165,029 |
| SALES TO CURRENT ASSETS | 350% | 340% | 351% | 329% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 35.22% | 33.06% | 36.74% | 34.41% |
| Factory payroll percentage of gross plant investment | 77.99 | 75.72 | 79.63 | 73.53 |
| Payroll per employee - All employees | $ 28,628 | $ 30,294 | $ 25,850 | $ 26,249 |
| Payroll per factory employee | 29,363 | 31,562 | 23,789 | 23,775 |
| Payroll per administrative employee | 29,838 | 30,780 | 30,077 | 33,122 |
| Payroll per sales employee | 48,638 | 53,523 | 46,558 | 50,949 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 23,241 | $ 24,771 | $ 20,637 | $ 20,450 |
| Payroll per factory employee | 26,604 | 28,774 | 19,523 | 19,092 |
| Payroll per administrative employee | 15,478 | 15,180 | 15,112 | 16,117 |
| Payroll per sales employee | 41,038 | 46,182 | 39,368 | 42,603 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 54,517 | 49,903 | 56,741 | 55,849 |
| Payroll per factory executive | 42,191 | 36,480 | 44,594 | 40,290 |
| Payroll per administrative executive | 69,237 | 65,520 | 70,364 | 66,961 |
| Payroll per sales executive | 59,723 | 54,402 | 60,274 | 57,134 |
| RECEIVABLES | | | | |
| Collection period | 62.4 | 62.2 | 63.0 | 63.2 |
| PROFIT | | | | |
| Gross profit percentage of sales | 19.43% | 23.30% | 19.38% | 23.62% |
| Average gross profit per factory employee | $ 26,408 | $ 31,897 | $ 17,700 | $ 22,992 |
| Income before taxes percentage of sales | 6.13% | 11.57% | 5.66% | 11.76% |
| Average income before taxes per employee | $ 5,448 | $ 10,959 | $ 4,403 | $ 9,652 |

** Sample insufficient for "Profit Leaders."

| SALES FROM $20 TO $40 MILLION | | SALES FROM $40 TO $80 MILLION | | SALES FROM $80 TO $160 MILLION** |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| $ 57,665 | $ 62,546 | $ 54,618 | $ 48,719 | $ 37,708 |
| 114,813 | 119,616 | 61,794 | 55,884 | 61,643 |
| 24,441 | 33,481 | 32,112 | 28,695 | 18,487 |
| 67,642 | 75,473 | 47,477 | 47,375 | 41,168 |
| 149.29% | 168.19% | 152.57% | 139.30% | 161.34% |
| 80.37% | 80.06% | 89.69% | 89.04% | 67.87% |
| 11.23 | 10.61 | 5.19 | 4.78 | 12.54 |
| 8.40 | 9.33 | 5.12 | 6.18 | 19.59 |
| $ 101,578 | $ 114,039 | $ 87,027 | $ 90,564 | $ 68,786 |
| 153,413 | 168,132 | 97,481 | 102,303 | 104,130 |
| 87,189 | 96,961 | 51,259 | 56,098 | 62,771 |
| 1,196,456 | 1,375,877 | 1,794,820 | 2,023,012 | 582,671 |
| 113,036 | 130,672 | 89,088 | 93,457 | 76,701 |
| 199,636 | 215,130 | 98,592 | 103,992 | 114,231 |
| 114,393 | 125,209 | 51,871 | 57,037 | 68,956 |
| 2,127,041 | 2,031,389 | 5,181,148 | 5,001,305 | 960,852 |
| 352% | 354% | 321% | 339% | 322% |
| 33.63% | 31.82% | 29.69% | 30.27% | 34.90% |
| 79.82 | 82.59 | 55.86 | 57.51 | 57.09 |
| $ 33,535 | $ 36,376 | $ 25,930 | $ 27,531 | $ 24,008 |
| 38,950 | 43,163 | 25,283 | 26,743 | 21,518 |
| 30,193 | 28,616 | 25,063 | 26,045 | 26,439 |
| 53,002 | 59,081 | 40,442 | 43,887 | 41,834 |
| $ 27,680 | $ 30,910 | $ 22,010 | $ 23,485 | $ 19,243 |
| 38,699 | 43,139 | 21,693 | 23,063 | 18,349 |
| 15,672 | 13,507 | 16,712 | 17,048 | 16,726 |
| 44,414 | 52,616 | 35,341 | 38,830 | 34,691 |
| 52,437 | 42,967 | 51,245 | 44,613 | 39,887 |
| 39,032 | 30,129 | 46,431 | 41,993 | 26,082 |
| 68,574 | 63,556 | 66,875 | 65,553 | 59,287 |
| 60,603 | 52,086 | 48,529 | 47,905 | 51,689 |
| 62.5 | 63.1 | 52.6 | 51.4 | 66.6 |
| 19.74% | 23.86% | 15.14% | 18.63% | 26.69% |
| $ 41,250 | $ 46,764 | $ 14,928 | $ 18,909 | $ 31,954 |
| 6.51% | 11.19% | 8.74% | 12.10% | 5.65% |
| $ 6,842 | $ 12,782 | $ 7,666 | $ 10,729 | $ 3,886 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES FROM $10 TO $20 MILLION | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 1.65 | $ 2.33 | $ 2.06 | $ 2.91 |
| Receivables | 16.57 | 16.55 | 16.80 | 16.97 |
| Inventories | 9.30 | 8.82 | 8.66 | 8.67 |
| Marketable securities | 1.50 | 2.19 | 2.32 | 3.08 |
| Other current assets | 2.14 | 1.31 | 1.25 | 1.09 |
| | 31.16 | 31.20 | 31.09 | 32.72 |
| Plant Investment: | | | | |
| Land and building | 8.17 | 7.26 | 8.02 | 7.41 |
| Machinery and equipment | 30.25 | 31.22 | 30.98 | 32.59 |
| Other fixed assets | 1.83 | 1.63 | 1.80 | 1.48 |
| | 40.25 | 40.11 | 40.80 | 41.48 |
| Non-Current Assets | 3.29 | 2.47 | 3.04 | 3.07 |
| TOTAL INVESTMENT | 74.70 | 73.78 | 74.93 | 77.27 |
| INVESTMENT TURNOVER PER $100 OF SALES | 133.87% | 135.54% | 133.46% | 129.42% |
| EARNINGS | | | | |
| Cost of Product | $80.57 | $76.70 | $80.62 | $76.38 |
| Selling Expenses | 6.26 | 6.16 | 6.69 | 6.64 |
| Administrative Expenses | 5.93 | 5.20 | 5.90 | 5.38 |
| | 92.76 | 88.06 | 93.21 | 88.40 |
| Income Before Interest, Other Income and Taxes | 7.24 | 11.94 | 6.79 | 11.60 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 9.69% | 16.18% | 9.06% | 15.01% |

** Sample insufficient for "Profit Leaders."

| SALES FROM $20 TO $40 MILLION |  | SALES FROM $40 TO $80 MILLION |  | SALES FROM $80 TO $160 MILLION** |
|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| $ 1.40 | $ 1.80 | $(0.77) | $ 1.07 | $ 0.87 |
| 16.52 | 16.58 | 13.93 | 13.72 | 17.85 |
| 10.13 | 9.05 | 10.70 | 8.72 | 10.91 |
| 0.34 | 0.88 | 1.61 | 2.68 | 0.00 |
| 2.50 | 1.09 | 10.02 | 3.83 | 2.15 |
| 30.89 | 29.40 | 35.49 | 30.02 | 31.78 |
| 8.32 | 7.12 | 9.58 | 6.99 | 5.36 |
| 27.99 | 27.98 | 37.25 | 37.57 | 30.37 |
| 2.07 | 2.02 | 1.02 | 0.75 | 1.35 |
| 38.38 | 37.12 | 47.85 | 45.31 | 37.08 |
| 3.79 | 1.95 | 3.94 | 1.13 | 1.07 |
| 73.06 | 68.47 | 87.28 | 76.46 | 69.93 |
| 136.87% | 146.05% | 114.57% | 130.79% | 143.00% |
| $80.26 | $76.14 | $84.86 | $81.37 | $73.31 |
| 5.77 | 6.01 | 3.03 | 3.76 | 12.68 |
| 6.27 | 5.51 | 3.10 | 2.61 | 7.84 |
| 92.30 | 87.66 | 90.99 | 87.74 | 93.83 |
| 7.70 | 12.34 | 9.01 | 12.26 | 6.17 |
| 10.54% | 18.02% | 10.32% | 16.03% | 8.82% |

## REPORT ON OPERATIONS - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | X | X | X | X |
| LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES | X | X | X | X |
| VALUE ADDED BY MANUFACTURE | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY PAYROLL | 45.98 | 41.76 | 50.35 | 45.99 |
| FACTORY EXPENSES | 19.05 | 18.61 | 21.06 | 19.93 |
| TOTAL FACTORY COST OF PRODUCT | 65.03 | 60.37 | 71.41 | 65.92 |
| GROSS PROFIT | 34.97 | 39.63 | 28.59 | 34.08 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 9.41 | 8.00 | 8.50 | 7.23 |
| Selling expenses | 12.66 | 10.85 | 7.20 | 7.30 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 22.07 | 18.85 | 15.70 | 14.53 |
| INCOME BEFORE INTEREST EXPENSE | 12.90 | 20.78 | 12.89 | 19.55 |
| Interest expense | 3.72 | 2.44 | 3.19 | 2.97 |
| OPERATING INCOME | 9.18 | 18.34 | 9.70 | 16.58 |
| Other income (expense) | 1.64 | 1.83 | 1.44 | 2.35 |
| INCOME BEFORE INCOME TAXES | 10.82 | 20.17 | 11.14 | 18.93 |

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL** | CATALOG AND DIRECTORY** | BOOK | | TAG AND LABEL** | PACKAGING** |
|---|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| X | X | X | X | X | X | X |
| X | X | X | X | X | X | X |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 43.72 | 44.22 | 37.39 | 46.20 | 45.84 | 53.58 | 47.45 |
| 21.63 | 16.16 | 18.50 | 21.19 | 18.32 | 16.16 | 23.56 |
| 65.35 | 60.38 | 55.89 | 67.39 | 64.16 | 69.74 | 71.01 |
| 34.65 | 39.62 | 44.11 | 32.61 | 35.84 | 30.26 | 28.99 |
| 15.26 | 10.66 | 14.26 | 11.71 | 10.47 | 9.57 | 10.58 |
| 5.16 | 13.24 | 7.78 | 9.70 | 10.69 | 9.72 | 11.12 |
| 20.42 | 23.90 | 22.04 | 21.41 | 21.16 | 19.29 | 21.70 |
| 14.23 | 15.72 | 22.07 | 11.20 | 14.68 | 10.97 | 7.29 |
| 4.80 | 1.57 | 9.36 | 2.01 | 0.62 | 4.12 | 1.94 |
| 9.43 | 14.15 | 12.71 | 9.19 | 14.06 | 6.85 | 5.35 |
| 0.36 | (4.07) | 3.83 | 1.90 | 2.76 | (4.19) | 2.38 |
| 9.79 | 10.08 | 16.54 | 11.09 | 16.82 | 2.66 | 7.73 |

## SUPPORTING SCHEDULES - VALUE ADDED = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.41% | 2.15% | 2.53% | 2.00% |
| Direct wages | 29.23 | 26.52 | 32.09 | 31.38 |
| General factory salaries and wages | 5.70 | 5.05 | 5.99 | 4.34 |
| Packing, shipping and delivery wages | 1.82 | 1.26 | 1.15 | 0.95 |
| Payroll taxes | 2.56 | 1.96 | 3.06 | 2.56 |
| Employee benefits | 4.26 | 4.82 | 5.53 | 4.76 |
| TOTAL FACTORY PAYROLL | 45.98 | 41.76 | 50.35 | 45.99 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.48 | 0.40 | 0.40 | 0.34 |
| Depreciation - other | 4.76 | 4.83 | 4.83 | 5.63 |
| Taxes - real estate | 0.44 | 0.48 | 0.28 | 0.29 |
| Taxes - other | 0.24 | 0.22 | 0.28 | 0.27 |
| Insurance | 0.44 | 0.27 | 0.40 | 0.34 |
| Building rent | 1.19 | 1.24 | 0.75 | 0.83 |
| Utilities - heat, light, etc. | 2.14 | 2.22 | 2.82 | 2.49 |
| Equipment rental | 0.49 | 0.32 | 0.71 | 0.43 |
| Total Fixed Expenses | 10.18 | 9.98 | 10.47 | 10.62 |
| Other Expenses | | | | |
| Factory supplies and expense | 3.64 | 3.61 | 5.16 | 4.70 |
| Packing, shipping and delivery expense | 1.70 | 1.65 | 1.58 | 0.92 |
| Repairs and maintenance | 2.19 | 2.18 | 2.60 | 2.76 |
| Other factory expenses | 1.34 | 1.19 | 1.25 | 0.93 |
| Total Other Expenses | 8.87 | 8.63 | 10.59 | 9.31 |
| TOTAL FACTORY EXPENSES | 19.05 | 18.61 | 21.06 | 19.93 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 2.02 | 1.77 | 1.76 | 1.95 |
| Salaries - office | 2.28 | 1.91 | 2.30 | 1.53 |
| Payroll taxes | 0.28 | 0.21 | 0.28 | 0.23 |
| Employee benefits | 0.61 | 0.61 | 0.72 | 0.76 |
| Bad debts | 0.61 | 0.32 | 0.49 | 0.26 |
| Office supplies and expenses | 0.41 | 0.32 | 0.57 | 0.40 |
| Professional fees | 0.70 | 0.60 | 0.51 | 0.43 |
| Taxes - business | 0.14 | 0.17 | 0.08 | 0.15 |
| Telephone | 0.57 | 0.47 | 0.39 | 0.33 |
| Other administrative expenses | 1.79 | 1.62 | 1.40 | 1.19 |
| TOTAL ADMINISTRATIVE EXPENSES | 9.41 | 8.00 | 8.50 | 7.23 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.20 | 0.72 | 0.69 | 0.86 |
| Salaries and commissions - salesmen | 6.28 | 5.80 | 2.93 | 3.15 |
| Salaries - sales office clerical | 1.16 | 0.79 | 1.03 | 0.66 |
| Payroll taxes | 0.29 | 0.21 | 0.24 | 0.21 |
| Employee benefits | 0.62 | 0.61 | 0.49 | 0.47 |
| Advertising | 0.48 | 0.41 | 0.29 | 0.34 |
| Travel and entertainment | 1.24 | 0.78 | 0.73 | 0.69 |
| Other selling expenses | 1.39 | 1.53 | 0.80 | 0.92 |
| TOTAL SELLING EXPENSES | 12.66 | 10.85 | 7.20 | 7.30 |

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL** | CATALOG AND DIRECTORY** | BOOK |  | TAG AND LABEL** | PACKAGING** |
|---|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 2.47% | 3.82% | 1.15% | 2.55% | 3.43% | 2.56% | 1.27% |
| 27.51 | 24.48 | 27.43 | 27.89 | 25.63 | 24.78 | 30.09 |
| 3.88 | 5.29 | 3.37 | 5.79 | 6.71 | 11.43 | 4.96 |
| 5.21 | 0.00 | 0.29 | 1.70 | 1.26 | 0.89 | 2.46 |
| 2.21 | 2.45 | 2.33 | 2.85 | 2.64 | 3.51 | 2.65 |
| 2.44 | 8.18 | 2.82 | 5.42 | 6.17 | 10.41 | 6.02 |
| 43.72 | 44.22 | 37.39 | 46.20 | 45.84 | 53.58 | 47.45 |
| 1.61 | 0.21 | 0.42 | 0.60 | 0.65 | 0.75 | 0.41 |
| 2.82 | 1.56 | 7.49 | 3.68 | 3.46 | 3.56 | 3.09 |
| 0.13 | 0.38 | 0.15 | 0.45 | 0.47 | 0.36 | 0.96 |
| 0.13 | 0.00 | 0.01 | 0.55 | 0.59 | 0.40 | 0.21 |
| 0.51 | 0.16 | 0.75 | 0.47 | 0.36 | 0.20 | 0.31 |
| 0.68 | 0.80 | 0.03 | 0.23 | 0.09 | 0.00 | 1.38 |
| 1.46 | 1.73 | 3.89 | 2.06 | 1.75 | 1.88 | 1.93 |
| 0.22 | 1.37 | 0.03 | 0.70 | 0.19 | 0.26 | 0.31 |
| 7.56 | 6.21 | 12.77 | 8.74 | 7.56 | 7.41 | 8.60 |
| 3.68 | 5.28 | 1.46 | 4.10 | 1.85 | 3.34 | 3.22 |
| 6.26 | 0.19 | 1.16 | 1.79 | 2.01 | 2.77 | 5.83 |
| 3.78 | 1.46 | 3.77 | 3.57 | 2.69 | 1.76 | 3.38 |
| 0.35 | 3.02 | (0.66) | 2.99 | 4.21 | 0.88 | 2.53 |
| 14.07 | 9.95 | 5.73 | 12.45 | 10.76 | 8.75 | 14.96 |
| 21.63 | 16.16 | 18.50 | 21.19 | 18.32 | 16.16 | 23.56 |
| 2.97 | 1.22 | 1.25 | 2.19 | 2.14 | 3.01 | 1.64 |
| 5.65 | 2.46 | 3.43 | 3.38 | 3.00 | 2.33 | 4.01 |
| 0.54 | 0.24 | 0.33 | 0.35 | 0.30 | 0.25 | 0.43 |
| 0.67 | 0.83 | 0.96 | 0.77 | 0.78 | 0.79 | 0.62 |
| 0.53 | 3.46 | 0.42 | 0.92 | 0.58 | 0.18 | 0.55 |
| 0.56 | 0.33 | 1.64 | 0.38 | 0.45 | 0.41 | 0.29 |
| 1.66 | 0.34 | 1.41 | 0.54 | 0.64 | 0.27 | 0.48 |
| 0.69 | 0.16 | 0.27 | 0.30 | 0.38 | 0.03 | 0.01 |
| 0.54 | 0.27 | 0.67 | 0.57 | 0.47 | 0.58 | 0.52 |
| 1.45 | 1.35 | 3.88 | 2.31 | 1.73 | 1.72 | 2.03 |
| 15.26 | 10.66 | 14.26 | 11.71 | 10.47 | 9.57 | 10.58 |
| 0.43 | 0.66 | 0.00 | 0.73 | 0.90 | 1.49 | 2.08 |
| 1.72 | 7.13 | 2.92 | 3.65 | 4.01 | 5.21 | 3.27 |
| 0.48 | 1.12 | 0.96 | 1.85 | 2.26 | 0.73 | 1.21 |
| 0.13 | 0.30 | 0.20 | 0.34 | 0.31 | 0.19 | 0.26 |
| 0.15 | 0.45 | 0.00 | 0.68 | 0.79 | 0.47 | 0.47 |
| 0.86 | 1.30 | 0.16 | 0.21 | 0.22 | 0.16 | 0.54 |
| 1.06 | 0.86 | 1.81 | 0.98 | 1.10 | 0.66 | 1.81 |
| 0.33 | 1.42 | 1.73 | 1.26 | 1.10 | 0.81 | 1.48 |
| 5.16 | 13.24 | 7.78 | 9.70 | 10.69 | 9.72 | 11.12 |

## REPORT ON OPERATIONS - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 27.43 | 28.16 | 28.94 | 26.06 |
| Other chargeable materials | 7.29 | 6.64 | 8.14 | 9.15 |
| Outside services | 7.70 | 6.73 | 3.99 | 3.12 |
| TOTAL MATERIAL | 42.42 | 41.53 | 41.07 | 38.33 |
| FACTORY PAYROLL | 26.50 | 24.53 | 29.57 | 28.28 |
| FACTORY EXPENSES | 10.84 | 10.74 | 12.42 | 12.45 |
| TOTAL FACTORY COST OF PRODUCT | 79.76 | 76.80 | 83.06 | 79.06 |
| GROSS PROFIT | 20.24 | 23.20 | 16.94 | 20.94 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 5.47 | 4.84 | 4.99 | 4.47 |
| Selling expenses | 7.39 | 6.52 | 4.23 | 4.48 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 12.86 | 11.36 | 9.22 | 8.95 |
| INCOME BEFORE INTEREST EXPENSE | 7.38 | 11.84 | 7.72 | 11.99 |
| Interest expense | 2.04 | 1.35 | 1.85 | 1.87 |
| OPERATING INCOME | 5.34 | 10.49 | 5.87 | 10.12 |
| Other income (expense) | 0.86 | 1.04 | 0.90 | 1.52 |
| INCOME BEFORE INCOME TAXES | 6.20 | 11.53 | 6.77 | 11.64 |

## SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 4.53% | 4.57% | 4.99% | 5.85% |
| Film | 0.82 | 0.64 | 0.99 | 0.77 |
| Plates | 0.95 | 0.70 | 1.28 | 0.86 |
| Other chargeable materials | 0.99 | 0.73 | 0.88 | 1.67 |
| TOTAL OTHER CHARGEABLE MATERIALS | 7.29 | 6.64 | 8.14 | 9.15 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.31 | 0.05 | 0.11 | 0.03 |
| Offset preparation | 1.66 | 1.45 | 0.72 | 0.38 |
| Printing | 0.81 | 0.86 | 0.60 | 0.40 |
| Binding | 2.83 | 2.35 | 0.67 | 0.77 |
| Other outside services | 2.09 | 2.02 | 1.89 | 1.54 |
| TOTAL OUTSIDE SERVICES | 7.70 | 6.73 | 3.99 | 3.12 |

** Sample insufficient for Profit Leaders.
*** Information not submitted.

| NEWSPAPER** | FINANCIAL** | CATALOG AND DIRECTORY** | BOOK | | TAG AND LABEL** | PACKAGING** |
|---|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 39.76 | 16.19 | 19.25 | 25.42 | 22.54 | 31.34 | 32.84 |
| 7.66 | 6.64 | 34.02 | 12.80 | 9.37 | 3.35 | 3.11 |
| 1.12 | 0.00 | 1.19 | 3.31 | 3.18 | 3.97 | 7.79 |
| 48.54 | 22.83 | 54.46 | 41.53 | 35.09 | 38.66 | 43.74 |
| 21.17 | 34.03 | 17.08 | 27.09 | 29.75 | 34.27 | 26.58 |
| 11.77 | 11.75 | 8.58 | 12.11 | 11.81 | 9.74 | 13.36 |
| 81.48 | 68.61 | 80.12 | 80.73 | 76.65 | 82.67 | 83.68 |
| 18.52 | 31.39 | 19.88 | 19.27 | 23.35 | 17.33 | 16.32 |
| 8.86 | 8.36 | 7.02 | 6.88 | 6.76 | 5.54 | 6.02 |
| 2.92 | 10.17 | 3.72 | 5.78 | 7.02 | 5.45 | 6.50 |
| 11.78 | 18.53 | 10.74 | 12.66 | 13.78 | 10.99 | 12.52 |
| 6.74 | 12.86 | 9.14 | 6.61 | 9.57 | 6.34 | 3.80 |
| 2.21 | 1.14 | 4.12 | 1.03 | 0.40 | 2.46 | 1.06 |
| 4.53 | 11.72 | 5.02 | 5.58 | 9.17 | 3.88 | 2.74 |
| 0.26 | (2.93) | 1.89 | 1.17 | 1.81 | (2.12) | 1.37 |
| 4.79 | 8.79 | 6.91 | 6.75 | 10.98 | 1.76 | 4.11 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4.83% | | 21.21% | 2.27% | 0.49% | 0.97% | 2.23% |
| 0.61 | | 2.37 | 2.40 | 2.59 | 0.29 | 0.19 |
| 1.02 | | 3.39 | 3.13 | 2.06 | 0.28 | 0.37 |
| 1.20 | | 7.05 | 5.00 | 4.23 | 1.81 | 0.32 |
| 7.66 | *** | 34.02 | 12.80 | 9.37 | 3.35 | 3.11 |
| | | 0.00 | 0.45 | 0.33 | 0.01 | 0.50 |
| | | 0.30 | 0.03 | 0.03 | 0.73 | 0.45 |
| | | 0.04 | 0.40 | 0.40 | 2.18 | 2.97 |
| | | 0.34 | 1.79 | 1.64 | 0.82 | 0.73 |
| | | 0.51 | 0.64 | 0.78 | 0.23 | 3.14 |
| *** | *** | 1.19 | 3.31 | 3.18 | 3.97 | 7.79 |

## SUPPORTING SCHEDULES - SALES = 100%

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 1.40% | 1.27% | 1.40% | 1.12% |
| Direct wages | 16.78 | 15.46 | 18.96 | 19.39 |
| General factory salaries and wages | 3.27 | 2.99 | 3.47 | 2.68 |
| Packing, shipping and delivery wages | 1.05 | 0.72 | 0.69 | 0.61 |
| Payroll taxes | 1.49 | 1.22 | 1.82 | 1.62 |
| Employee benefits | 2.51 | 2.87 | 3.23 | 2.86 |
| TOTAL FACTORY PAYROLL | 26.50 | 24.53 | 29.57 | 28.28 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.29 | 0.25 | 0.23 | 0.20 |
| Depreciation - other | 2.70 | 2.75 | 2.89 | 3.54 |
| Taxes - real estate | 0.24 | 0.26 | 0.16 | 0.17 |
| Taxes - other | 0.14 | 0.14 | 0.17 | 0.18 |
| Insurance | 0.26 | 0.17 | 0.23 | 0.21 |
| Building rent | 0.68 | 0.73 | 0.45 | 0.58 |
| Utilities - heat, light, etc. | 1.23 | 1.28 | 1.67 | 1.55 |
| Equipment rental | 0.28 | 0.19 | 0.41 | 0.26 |
| Total Fixed Expenses | 5.82 | 5.77 | 6.21 | 6.69 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.05 | 2.05 | 3.02 | 2.88 |
| Packing, shipping and delivery expense | 0.94 | 0.90 | 0.92 | 0.57 |
| Repairs and maintenance | 1.24 | 1.26 | 1.54 | 1.76 |
| Other factory expenses | 0.79 | 0.76 | 0.73 | 0.55 |
| Total Other Expenses | 5.02 | 4.97 | 6.21 | 5.76 |
| TOTAL FACTORY EXPENSES | 10.84 | 10.74 | 12.42 | 12.45 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 1.19 | 1.07 | 1.06 | 1.23 |
| Salaries - office | 1.32 | 1.13 | 1.33 | 0.92 |
| Payroll taxes | 0.16 | 0.14 | 0.17 | 0.15 |
| Employee benefits | 0.36 | 0.38 | 0.43 | 0.47 |
| Bad debts | 0.32 | 0.18 | 0.28 | 0.17 |
| Office supplies and expenses | 0.23 | 0.18 | 0.34 | 0.26 |
| Professional fees | 0.41 | 0.38 | 0.29 | 0.25 |
| Taxes - business | 0.08 | 0.10 | 0.05 | 0.10 |
| Telephone | 0.33 | 0.27 | 0.23 | 0.21 |
| Other administrative expenses | 1.07 | 1.01 | 0.81 | 0.71 |
| TOTAL ADMINISTRATIVE EXPENSES | 5.47 | 4.84 | 4.99 | 4.47 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 0.72 | 0.42 | 0.40 | 0.54 |
| Salaries and commissions - salesmen | 3.62 | 3.43 | 1.72 | 1.93 |
| Salaries - sales office clerical | 0.66 | 0.46 | 0.58 | 0.35 |
| Payroll taxes | 0.18 | 0.14 | 0.14 | 0.13 |
| Employee benefits | 0.37 | 0.38 | 0.28 | 0.27 |
| Advertising | 0.29 | 0.26 | 0.18 | 0.22 |
| Travel and entertainment | 0.73 | 0.49 | 0.43 | 0.43 |
| Other selling expenses | 0.82 | 0.94 | 0.50 | 0.61 |
| TOTAL SELLING EXPENSES | 7.39 | 6.52 | 4.23 | 4.48 |

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL** | CATALOG AND DIRECTORY** | BOOK | | TAG AND LABEL** | PACKAGING** |
|---|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 1.09% | 3.00% | 0.48% | 1.59% | 2.23% | 1.50% | 0.72% |
| 13.22 | 18.65 | 12.60 | 16.25 | 16.64 | 15.25 | 16.35 |
| 2.02 | 3.98 | 1.62 | 3.44 | 4.40 | 7.88 | 3.14 |
| 2.48 | 0.00 | 0.14 | 0.97 | 0.83 | 0.50 | 1.34 |
| 1.11 | 1.86 | 1.07 | 1.65 | 1.71 | 2.21 | 1.57 |
| 1.25 | 6.54 | 1.17 | 3.19 | 3.94 | 6.93 | 3.46 |
| 21.17 | 34.03 | 17.08 | 27.09 | 29.75 | 34.27 | 26.58 |
| 0.79 | 0.14 | 0.18 | 0.35 | 0.43 | 0.43 | 0.28 |
| 1.46 | 1.13 | 3.47 | 2.14 | 2.26 | 2.07 | 1.76 |
| 0.07 | 0.26 | 0.06 | 0.26 | 0.31 | 0.22 | 0.54 |
| 0.08 | 0.00 | 0.00 | 0.31 | 0.39 | 0.29 | 0.14 |
| 0.24 | 0.11 | 0.36 | 0.28 | 0.23 | 0.13 | 0.19 |
| 0.32 | 0.66 | 0.01 | 0.12 | 0.03 | 0.00 | 0.72 |
| 0.77 | 1.27 | 1.81 | 1.19 | 1.15 | 1.17 | 1.10 |
| 0.10 | 1.01 | 0.01 | 0.37 | 0.12 | 0.17 | 0.16 |
| 3.83 | 4.58 | 5.90 | 5.02 | 4.92 | 4.48 | 4.89 |
| 1.99 | 3.78 | 0.61 | 2.23 | 1.22 | 2.03 | 1.81 |
| 4.00 | 0.14 | 0.57 | 1.05 | 1.26 | 1.59 | 3.17 |
| 1.77 | 1.05 | 1.76 | 2.01 | 1.74 | 1.02 | 1.92 |
| 0.18 | 2.20 | (0.26) | 1.80 | 2.67 | 0.62 | 1.57 |
| 7.94 | 7.17 | 2.68 | 7.09 | 6.89 | 5.26 | 8.47 |
| 11.77 | 11.75 | 8.58 | 12.11 | 11.81 | 9.74 | 13.36 |
| 1.46 | 0.96 | 0.61 | 1.21 | 1.37 | 1.78 | 0.95 |
| 3.60 | 1.88 | 1.69 | 2.04 | 1.95 | 1.35 | 2.26 |
| 0.33 | 0.18 | 0.16 | 0.20 | 0.19 | 0.14 | 0.25 |
| 0.41 | 0.63 | 0.47 | 0.45 | 0.50 | 0.44 | 0.35 |
| 0.30 | 2.82 | 0.21 | 0.54 | 0.38 | 0.10 | 0.29 |
| 0.29 | 0.24 | 0.81 | 0.22 | 0.29 | 0.24 | 0.16 |
| 1.01 | 0.26 | 0.70 | 0.32 | 0.41 | 0.15 | 0.28 |
| 0.36 | 0.11 | 0.13 | 0.19 | 0.25 | 0.02 | 0.00 |
| 0.29 | 0.20 | 0.33 | 0.33 | 0.30 | 0.35 | 0.31 |
| 0.81 | 1.08 | 1.91 | 1.38 | 1.12 | 0.97 | 1.17 |
| 8.86 | 8.36 | 7.02 | 6.88 | 6.76 | 5.54 | 6.02 |
| 0.21 | 0.50 | 0.00 | 0.45 | 0.59 | 0.93 | 1.15 |
| 0.89 | 5.41 | 1.35 | 2.14 | 2.65 | 2.81 | 1.93 |
| 0.32 | 0.79 | 0.48 | 1.12 | 1.48 | 0.38 | 0.70 |
| 0.07 | 0.22 | 0.10 | 0.20 | 0.20 | 0.10 | 0.16 |
| 0.09 | 0.34 | 0.00 | 0.40 | 0.50 | 0.27 | 0.28 |
| 0.61 | 1.09 | 0.08 | 0.13 | 0.15 | 0.10 | 0.35 |
| 0.53 | 0.69 | 0.89 | 0.60 | 0.72 | 0.39 | 1.06 |
| 0.20 | 1.13 | 0.82 | 0.74 | 0.73 | 0.47 | 0.87 |
| 2.92 | 10.17 | 3.72 | 5.78 | 7.02 | 5.45 | 6.50 |

## BALANCE SHEET

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **ASSETS** | | | | |
| CURRENT ASSETS | | | | |
| Cash | 2.98% | 2.88% | 4.21% | 7.43% |
| Receivables | 31.94 | 30.15 | 27.49 | 23.97 |
| Inventories | 15.89 | 15.21 | 15.48 | 11.55 |
| Other current assets | 3.88 | 4.75 | 5.96 | 9.27 |
| TOTAL CURRENT ASSETS | 54.69 | 52.99 | 53.14 | 52.22 |
| FIXED ASSETS | | | | |
| Real estate | 11.41 | 11.79 | 15.10 | 11.98 |
| Less: Accumulated depreciation | 2.37 | 2.30 | 5.17 | 3.10 |
| | 9.04 | 9.49 | 9.93 | 8.88 |
| Machinery and equipment | 53.69 | 56.11 | 66.56 | 61.77 |
| Less: Accumulated depreciation | 23.61 | 23.64 | 36.68 | 28.94 |
| | 30.08 | 32.47 | 29.88 | 32.83 |
| Other fixed assets | 3.24 | 3.48 | 4.36 | 1.93 |
| Less: Accumulated depreciation | 1.43 | 1.76 | 1.48 | 0.62 |
| | 1.81 | 1.72 | 2.88 | 1.31 |
| NET FIXED ASSETS | 40.93 | 43.68 | 42.69 | 43.02 |
| OTHER ASSETS | 4.38 | 3.33 | 4.17 | 4.76 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| **LIABILITIES AND EQUITY** | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 9.84 | 9.50 | 4.02 | 4.04 |
| Accounts payable | 13.61 | 11.14 | 10.52 | 8.62 |
| Other current liabilities | 11.16 | 10.66 | 9.52 | 8.36 |
| TOTAL CURRENT LIABILITIES | 34.61 | 31.30 | 24.06 | 21.02 |
| LONG-TERM LIABILITIES | 23.74 | 17.31 | 25.39 | 23.07 |
| TOTAL LIABILITIES | 58.35 | 48.61 | 49.45 | 44.09 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 41.65 | 51.39 | 50.55 | 55.91 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.58 | 1.69 | 2.21 | 2.48 |
| QUICK RATIO | 1.12 | 1.21 | 1.57 | 1.93 |
| TOTAL LIABILITIES TO EQUITY | 1.40 | 0.95 | 0.98 | 0.79 |
| LONG-TERM LIABILITIES TO EQUITY | 0.57 | 0.34 | 0.50 | 0.41 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.44 | 0.42 | 0.55 | 0.47 |

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL** | CATALOG AND DIRECTORY** | BOOK | | TAG AND LABEL** | PACKAGING** |
|---|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| 7.86% | (0.17)% | 5.71% | 0.50% | 1.56% | 0.11% | 1.00% |
| 41.77 | 50.53 | 25.76 | 32.90 | 33.93 | 11.55 | 35.02 |
| 11.31 | 22.82 | 11.34 | 17.49 | 15.91 | 20.02 | 34.29 |
| 2.61 | 2.25 | 2.98 | 6.92 | 5.38 | 16.47 | 1.11 |
| 63.55 | 75.43 | 45.79 | 57.81 | 56.78 | 48.15 | 71.42 |
| 13.69 | 10.84 | 24.80 | 19.05 | 23.23 | 22.32 | 10.75 |
| 3.00 | 2.15 | 2.97 | 6.82 | 8.62 | 7.00 | 5.08 |
| 10.69 | 8.69 | 21.83 | 12.23 | 14.61 | 15.32 | 5.67 |
| 35.36 | 26.01 | 41.97 | 49.65 | 47.01 | 40.66 | 42.97 |
| 17.19 | 16.57 | 14.54 | 27.29 | 25.33 | 21.15 | 23.23 |
| 18.17 | 9.44 | 27.43 | 22.36 | 21.68 | 19.51 | 19.74 |
| 3.58 | 8.36 | 2.84 | 1.33 | 1.68 | 2.17 | 3.10 |
| 1.92 | 3.69 | 1.18 | 0.65 | 0.85 | 0.79 | 0.67 |
| 1.66 | 4.67 | 1.66 | 0.68 | 0.83 | 1.38 | 2.43 |
| 30.52 | 22.80 | 50.92 | 35.27 | 37.12 | 36.21 | 27.84 |
| 5.93 | 1.77 | 3.29 | 6.92 | 6.10 | 15.64 | 0.74 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 7.30 | 0.00 | 0.35 | 3.66 | 4.98 | 4.45 | 6.07 |
| 20.62 | 7.48 | 12.01 | 13.70 | 11.81 | 8.17 | 17.42 |
| 5.92 | 18.43 | 18.20 | 10.64 | 11.26 | 12.09 | 8.04 |
| 33.84 | 25.91 | 30.56 | 28.00 | 26.05 | 24.71 | 31.53 |
| 29.33 | 20.26 | 21.30 | 19.57 | 7.87 | 24.94 | 11.21 |
| 63.17 | 46.17 | 51.86 | 47.57 | 35.92 | 49.65 | 42.74 |
| 36.83 | 53.83 | 48.14 | 52.43 | 64.08 | 50.35 | 57.26 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 1.88 | 2.91 | 1.50 | 2.06 | 2.02 | 1.95 | 2.27 |
| 1.54 | 2.03 | 1.13 | 1.44 | 1.46 | 1.14 | 1.18 |
| 1.71 | 0.86 | 1.08 | 0.91 | 0.56 | 0.99 | 0.75 |
| 0.80 | 0.38 | 0.44 | 0.37 | 0.12 | 0.50 | 0.20 |
| 0.49 | 0.64 | 0.35 | 0.55 | 0.54 | 0.52 | 0.54 |

## SIGNIFICANT FACTS

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 56,966 | $ 67,764 | $ 38,189 | $ 46,430 |
| Average assets per factory employee (Excluding Executives) | 107,187 | 115,967 | 46,076 | 53,531 |
| Average net worth per employee - All employees | 21,700 | 33,167 | 18,340 | 24,722 |
| Average gross plant investment per factory employee (Excluding Executives) | 65,397 | 78,120 | 36,696 | 41,141 |
| Net worth percentage of fixed assets | 110.59% | 130.04% | 139.29% | 150.03 |
| EMPLOYEES | | | | |
| Percent factory - All employees | 81.73% | 82.76% | 87.27% | 89.29 |
| Percent administrative - All employees | 8.84 | 8.39 | 7.48 | 6.03 |
| Percent sales - All employees | 9.43 | 8.85 | 5.25 | 4.68 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 100,817 | $ 119,692 | $ 69,871 | $ 72,342 |
| Sales per factory employee | 146,105 | 165,293 | 80,697 | 81,786 |
| Sales less material per factory employee | 82,831 | 94,461 | 46,583 | 48,741 |
| Sales per administrative employee | 1,306,421 | 1,614,357 | 1,084,946 | 1,349,180 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 110,641 | 132,719 | 73,519 | 75,742 |
| Sales per factory employee | 185,739 | 202,616 | 83,986 | 84,605 |
| Sales less material per factory employee | 105,899 | 116,172 | 48,355 | 50,242 |
| SALES PER SALESMAN | 1,325,994 | 1,649,053 | 3,302,527 | 3,419,012 |
| SALES TO CURRENT ASSETS | 348% | 365% | 399% | 327 |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 35.07% | 32.08% | 35.69% | 34.28 |
| Factory payroll percentage of gross plant investment | 76.79 | 70.69 | 73.36 | 64.81 |
| Payroll per employee - All employees | $ 34,025 | $ 37,738 | $ 24,437 | $ 24,229 |
| Payroll per factory employee | 37,322 | 41,712 | 23,283 | 22,325 |
| Payroll per administrative employee | 32,773 | 33,398 | 28,856 | 33,677 |
| Payroll per sales employee | 54,882 | 58,821 | 45,160 | 52,043 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 28,543 | $ 32,196 | $ 19,331 | $ 19,114 |
| Payroll per factory employee | 37,153 | 41,284 | 18,958 | 18,423 |
| Payroll per administrative employee | 16,730 | 16,768 | 14,943 | 14,088 |
| Payroll per sales employee | 46,908 | 51,970 | 37,587 | 42,618 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 60,754 | 51,897 | 49,167 | 60,787 |
| Payroll per factory executive | 43,293 | 36,962 | 37,027 | 36,911 |
| Payroll per administrative executive | 81,578 | 66,761 | 64,235 | 80,244 |
| Payroll per sales executive | 70,602 | 56,980 | 53,921 | 61,413 |
| RECEIVABLES | | | | |
| Collection period | 65.9 | 61.5 | 52.1 | 54.4 |
| PROFIT | | | | |
| Gross profit percentage of sales | 20.24% | 23.20% | 16.94% | 20.94% |
| Average gross profit per factory employee | $ 37,894 | $ 41,804 | $ 13,906 | $ 17,160 |
| Income before taxes percentage of sales | 6.20% | 11.53% | 6.77% | 11.64% |
| Average income before taxes per employee | $ 6,646 | $ 13,479 | $ 4,598 | $ 8,159 |

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL** | CATALOG AND DIRECTORY** | BOOK | | TAG AND LABEL** | PACKAGING** |
|---|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| $ 52,791 | $ 49,164 | $ 69,101 | $ 39,139 | $ 28,829 | $ 58,542 | $ 28,738 |
| 69,663 | 86,229 | 82,200 | 48,890 | 36,718 | 77,207 | 35,530 |
| 18,398 | 26,439 | 34,898 | 19,882 | 18,783 | 23,494 | 17,203 |
| 37,833 | 35,872 | 57,368 | 33,107 | 26,311 | 41,308 | 18,404 |
| 138.06% | 340.90% | 109.91% | 162.70% | 191.05% | 132.93% | 229.93% |
| 78.81% | 69.78% | 85.07% | 82.38% | 83.15% | 83.78% | 81.16% |
| 17.47 | 20.15 | 10.62 | 10.31 | 8.47 | 8.13 | 9.42 |
| 3.72 | 10.07 | 4.31 | 7.31 | 8.38 | 8.09 | 9.42 |
| $ 91,680 | $ 92,058 | $ 123,736 | $ 64,538 | $ 54,968 | $ 74,387 | $ 72,526 |
| 117,475 | 138,945 | 140,283 | 79,119 | 66,174 | 90,615 | 89,067 |
| 61,421 | 111,164 | 61,612 | 44,009 | 42,672 | 54,190 | 48,318 |
| 932,235 | 711,578 | 1,884,069 | 706,807 | 663,767 | 1,765,729 | 824,536 |
| 97,546 | 104,726 | 127,598 | 67,810 | 58,858 | 78,943 | 74,598 |
| 121,422 | 168,133 | 142,261 | 81,639 | 69,913 | 94,511 | 89,715 |
| 63,140 | 135,747 | 62,435 | 45,548 | 45,046 | 56,486 | 48,667 |
| 1,816,063 | 0 | 1,318,906 | 1,290,962 | 1,170,244 | 832,276 | 1,061,968 |
| 315% | 249% | 362% | 339% | 344% | 357% | 361% |
| 28.56% | 44.96% | 21.94% | 35.30% | 39.17% | 42.47% | 34.61% |
| 84.26 | 175.85 | 44.72 | 74.41 | 80.32 | 80.14 | 138.07 |
| $ 25,563 | $ 41,785 | $ 23,749 | $ 21,302 | $ 21,124 | $ 30,956 | $ 24,141 |
| 24,715 | 48,701 | 22,761 | 19,994 | 19,300 | 28,577 | 23,070 |
| 29,317 | 24,845 | 16,865 | 24,876 | 26,178 | 45,282 | 26,705 |
| 38,399 | 67,743 | 59,898 | 43,386 | 38,341 | 49,855 | 30,787 |
| $ 21,306 | $ 32,025 | $ 19,073 | $ 16,360 | $ 15,973 | $ 21,830 | $ 18,764 |
| 21,397 | 37,996 | 18,337 | 15,751 | 14,868 | 20,655 | 18,537 |
| 16,997 | 14,381 | 11,335 | 14,346 | 14,988 | 9,570 | 18,082 |
| 32,085 | 64,160 | 58,376 | 34,975 | 31,451 | 35,619 | 21,332 |
| 49,181 | 38,265 | 55,746 | 47,590 | 35,620 | 68,451 | 88,712 |
| 45,775 | 31,685 | 48,201 | 46,835 | 28,575 | 30,994 | 92,505 |
| 54,872 | 82,746 | 33,722 | 55,365 | 57,676 | 86,029 | 85,633 |
| 42,850 | 49,788 | 0 | 49,295 | 51,999 | 73,148 | 88,068 |
| 91.6 | 107.0 | 52.1 | 64.9 | 66.2 | 35.8 | 51.8 |
| 18.52% | 31.39% | 19.88% | 19.27% | 23.35% | 17.33% | 16.32% |
| $ 22,923 | $ 59,578 | $ 28,679 | $ 15,419 | $ 16,459 | $ 17,449 | $ 14,015 |
| 4.79% | 8.79% | 6.91% | 6.75% | 10.98% | 1.76% | 4.11% |
| $ 4,221 | $ 9,400 | $ 12,425 | $ 4,388 | $ 6,133 | $ 1,243 | $ 3,186 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | COMMERCIAL AND ADVERTISING | | MAGAZINE AND PERIODICAL | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 1.63 | $ 1.49 | $ 2.38 | $ 4.74 |
| Receivables | 17.60 | 16.51 | 13.73 | 14.40 |
| Inventories | 8.60 | 8.31 | 7.42 | 6.68 |
| Marketable securities | 0.84 | 1.18 | 1.75 | 4.96 |
| Other current assets | 1.25 | 1.32 | 1.51 | 1.41 |
| | 29.92 | 28.81 | 26.79 | 32.19 |
| Plant Investment: | | | | |
| Land and building | 6.63 | 5.97 | 8.00 | 7.89 |
| Machinery and equipment | 30.12 | 31.51 | 34.30 | 40.53 |
| Other fixed assets | 1.78 | 1.83 | 1.92 | 0.86 |
| | 38.53 | 39.31 | 44.22 | 49.28 |
| Non-Current Assets | 2.68 | 2.20 | 3.30 | 3.50 |
| TOTAL INVESTMENT | 71.13 | 70.32 | 74.31 | 84.97 |
| INVESTMENT TURNOVER PER $100 OF SALES | 140.59% | 142.21% | 134.57% | 117.69% |
| EARNINGS | | | | |
| Cost of Product | $79.76 | $76.80 | $83.06 | $79.06 |
| Selling Expenses | 7.39 | 6.52 | 4.23 | 4.48 |
| Administrative Expenses | 5.47 | 4.84 | 4.99 | 4.47 |
| | 92.62 | 88.16 | 92.28 | 88.01 |
| Income Before Interest, Other Income (Expense), and Taxes | 7.38 | 11.84 | 7.72 | 11.99 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 10.38% | 16.84% | 10.39% | 14.11% |

** Sample insufficient for "Profit Leaders."

| NEWSPAPER** | FINANCIAL** | CATALOG AND DIRECTORY** | BOOK | | TAG AND LABEL** | PACKAGING** |
|---|---|---|---|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | ALL FIRMS |
| $ 4.72 | $(0.13) | $ 5.74 | $(0.25) | $ 0.74 | $ 0.16 | $ 0.35 |
| 24.55 | 26.36 | 13.79 | 17.29 | 17.64 | 9.66 | 13.72 |
| 6.06 | 12.85 | 6.16 | 9.77 | 8.30 | 12.11 | 14.19 |
| 0.68 | 0.00 | 0.00 | 1.38 | 2.69 | 15.22 | 0.00 |
| 0.97 | 1.08 | 2.89 | 4.30 | 0.64 | 0.75 | 0.45 |
| 36.98 | 40.16 | 28.58 | 32.49 | 30.01 | 37.90 | 28.71 |
| 7.49 | 6.91 | 19.71 | 11.07 | 13.04 | 14.96 | 4.65 |
| 20.36 | 15.01 | 31.26 | 27.87 | 24.53 | 26.40 | 17.81 |
| 1.94 | 4.20 | 2.14 | 0.90 | 0.95 | 2.04 | 1.12 |
| 29.79 | 26.12 | 53.11 | 39.84 | 38.52 | 43.40 | 23.58 |
| 3.56 | 1.02 | 3.30 | 4.88 | 3.88 | 14.60 | 0.30 |
| 70.33 | 67.30 | 84.99 | 77.21 | 72.41 | 95.90 | 52.59 |
| 142.19% | 148.59% | 117.66% | 129.52% | 138.10% | 104.28% | 190.15% |
| $81.48 | $68.61 | $80.12 | $80.73 | $76.65 | $82.67 | $83.68 |
| 2.92 | 10.17 | 3.72 | 5.78 | 7.02 | 5.45 | 6.50 |
| 8.86 | 8.36 | 7.02 | 6.88 | 6.76 | 5.54 | 6.02 |
| 93.26 | 87.14 | 90.86 | 93.39 | 90.43 | 93.66 | 96.20 |
| 6.74 | 12.86 | 9.14 | 6.61 | 9.57 | 6.34 | 3.80 |
| 9.58% | 19.11% | 10.75% | 8.56% | 13.22% | 6.61% | 7.23% |

# ABSOLUTE DATA

| | | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | NUMBER OF PARTICIPATING FIRMS | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL FIRMS | 104 | $13,696,000 | $24,249,000 | $1,590,000 |
| TOTAL - PROFIT LEADERS* | 36 | 13,261,000 | 23,397,000 | 2,694,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| $10,000,000-$20,000,000 | 58 | 8,039,000 | 14,095,000 | 834,000 |
| $20,000,000-$40,000,000 | 38 | 15,980,000 | 28,184,000 | 1,855,000 |
| $40,000,000-$80,000,000 | 5 | 31,302,000 | 51,233,000 | 4,488,000 |
| PROFIT LEADERS | | | | |
| $10,000,000-$20,000,000 | 19 | 9,019,000 | 14,720,000 | 1,730,000 |
| $20,000,000-$40,000,000 | 14 | 15,680,000 | 28,676,000 | 3,222,000 |
| $40,000,000-$80,000,000 | 3 | 28,839,000 | 53,719,000 | 6,332,000 |
| BY PRODUCT SPECIALTY | | | | |
| ALL FIRMS | | | | |
| Commercial and Advertising | 43 | 11,864,000 | 21,121,000 | 1,391,000 |
| Magazine and Periodical | 26 | 16,685,000 | 32,420,000 | 2,317,000 |
| Newspaper | 4 | 10,881,000 | 19,913,000 | 1,012,000 |
| Financial*** | 2 | 19,115,000 | 34,393,000 | 2,726,000 |
| Catalog and Directory | 2 | 12,439,000 | 15,391,000 | 720,000 |
| Book | 10 | 12,959,000 | 20,476,000 | 1,357,000 |
| Tag and Label | 3 | 15,481,000 | 18,583,000 | 340,000 |
| PROFIT LEADERS | | | | |
| Commercial and Advertising | 16 | 12,295,000 | 22,387,000 | 2,612,000 |
| Magazine and Periodical | 9 | 18,609,000 | 29,596,000 | 3,311,000 |
| Book | 5 | 10,035,000 | 18,823,000 | 1,919,000 |

---

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 35.

*** "All Firms" are the same as "Profit Leaders."

## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| Firm | Sales | Factory Payroll | % of Sales<br>Firm's Ratio Factory Payroll | % of Sales<br>PIA Ratio Factory Payroll |
|---|---|---|---|---|
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |
| | | | 62.2% divided by 3 = 20.7% | |

A8740-1.10

**59th** annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 330-332 East 25th Street, Baltimore, Maryland 21218.

# 1982 Financial Ratios
# Specialists

**PART I LITHO PREP SPECIALISTS . . . Pages 3 to 30**
**PART II TYPOGRAPHERS . . . . . . . . . . Pages 31 to 52**

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Printed in U.S.A.

H. R. MARGOLIS COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Offices:
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

Again in 1982, it is our pleasure to present to you PIA'S FINANCIAL RATIO STUDY FOR SPECIALISTS. This year a total of 32 firms classified as Litho Prep Specialists and 28 firms classified as Typographers in the United States and Canada participated in this study by responding to PIA's questionnaire on financial performance.

This book presents the data for Litho Prep Specialists in Part I (pages 3 to 30) and Typographers in Part II (pages 31 to 52). In Part I the ratios and statistics are presented by sales volume - for example, sales from 0-$500,000, sales from $500,000 to $1,500,000 etc.; by market - for example, Printers and Lithographers, Advertising Agencies etc.; and by type of work - for example, Black and White and Color Work. Part II presents the ratios and statistics by sales volume and by market. Readers can compare the data from their own firm's financial statements with similar data from other firms in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies. Moreover, we commend PIA and its staff for their continuing sponsorship of these studies and for the help that they have so graciously provided in their completion.

H R Margolis Company

H. R. MARGOLIS COMPANY

1982 is the 59th consecutive year in which Printing Industries of America, Inc. has collected, compiled and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries, as well as allowing individual firms to compare their annual performance with that of many other similar firms, including those which earn well above average profits. Ratio results for several different segments of our industry are available in book form. In 1982 these books include:

- All Printers by Sales Volume + Management Guide to the Ratios
- All Printers by Product Specialty
- Quick Printers
- Printers by Geographic Area
- Sheetfed Printers, by Size and Geographic Area
- Web Offset Printers, Heatset and Non-heatset
- Book Manufacturers
- Large Printers (over $10 million in sales)
- Specialists: Typographers
  Litho Prep Specialists
- Binders

If you are using the Ratios to analyze your company's performance, it is usually advisable to use the data from at least two of these books as standards of comparison. Such analysis is made much easier by participating in the Studies early each year and ordering an individual company computer printout, which compares a participant's ratios to those of companies which are similar in size, production equipment, markets and other key features. If using only the Ratio books, be careful in comparing your firm's performance to that of the "mixed bag" of printers whose results are summarized in *All Printers by Sales Volume*.

Please refer your questions on the PIA Ratio Studies to your nearest local PIA affiliated association, or to

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Arlington, VA 22209 — 703-841-8136

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The Lithographic Preparatory Services Association is a special industry unit of PIA which represents and supports the common interests of lithographic trade plants in serving the Graphic Arts Industry. This study of the financial ratios of lithographic preparatory specialists is but one of the services LPS offers to its members.

Each year LPS holds two major meetings. In the spring, there is a *Technical Awareness Seminar for Management*. The two day session is designed to update members on technological changes in the industry. In the fall, LPS holds its *Annual Meeting* in a resort location. This three day session allows a maximum flow of information among the membership through its half day sessions, social events and the relaxing atmosphere of the resort.

In addition to the meetings and the ratio study, LPS prepares compensation surveys, a monthly "Credit 90" report, an index of industry activity, and publishes an annual buyers' guide. Active membership is open to any PIA member engaged in the operation of a trade plant producing negatives, positives, and/or plates for use in the lithographic process. Associate membership is open to any PIA Member engaged in the manufacture or distribution of supplies or equipment for use in lithography.

William Strackbein
Executive Director
Lithographic Preparatory Services Association
(703) 841-8170

REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS* | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 1.93 | 0.01 | 0.38 | 0.00 |
| Other chargeable materials | 13.94 | 14.13 | 12.52 | 13.64 |
| Outside services | 5.49 | 5.27 | 19.00 | 10.18 |
| TOTAL MATERIAL | 21.36 | 19.41 | 31.90 | 23.82 |
| FACTORY PAYROLL | 32.95 | 28.57 | 16.65 | 19.34 |
| FACTORY EXPENSES | 14.00 | 14.92 | 17.25 | 21.24 |
| TOTAL FACTORY COST OF PRODUCT | 68.31 | 62.90 | 65.80 | 64.40 |
| GROSS PROFIT | 31.69 | 37.10 | 34.20 | 35.60 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 11.66 | 11.08 | 12.99 | 13.25 |
| Selling expenses | 11.30 | 10.97 | 6.01 | 3.32 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 22.96 | 22.05 | 19.00 | 16.57 |
| INCOME BEFORE INTEREST EXPENSE | 8.73 | 15.05 | 15.20 | 19.03 |
| Interest expense | 2.51 | 2.42 | 2.67 | 3.81 |
| OPERATING INCOME | 6.22 | 12.63 | 12.53 | 15.22 |
| Other income (expense) | 0.30 | 0.26 | (0.68) | 0.03 |
| INCOME BEFORE INCOME TAXES | 6.52 | 12.89 | 11.85 | 15.25 |

SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 0.12% | 0.06% | 0.00% | 0.00% |
| Film | 9.58 | 9.70 | 9.75 | 8.68 |
| Plates | 1.37 | 1.33 | 1.25 | 2.26 |
| Other chargeable materials | 2.87 | 3.04 | 1.52 | 2.70 |
| TOTAL OTHER CHARGEABLE MATERIALS | 13.94 | 14.13 | 12.52 | 13.64 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.13 | 0.09 | 0.80 | 0.00 |
| Offset preparation | 0.62 | 1.74 | 0.85 | 0.00 |
| Printing | 3.12 | 3.36 | 15.57 | 10.18 |
| Binding | 0.21 | 0.00 | 0.74 | 0.00 |
| Other outside services | 1.41 | 0.08 | 1.04 | 0.00 |
| TOTAL OUTSIDE SERVICES | 5.49 | 5.27 | 19.00 | 10.18 |

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

*** Information not submitted.

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$3,000,000 | | SALES OVER $3,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| 4.66 | 0.00 | 1.28 | 0.00 | 0.92 | 0.02 |
| 10.48 | 13.23 | 15.62 | 12.70 | 15.31 | 16.50 |
| 5.34 | 4.04 | 3.79 | 2.45 | 3.41 | 5.64 |
| 20.48 | 17.27 | 20.69 | 15.15 | 19.64 | 22.16 |
| 33.63 | 32.17 | 31.80 | 25.27 | 38.56 | 35.61 |
| 13.42 | 12.22 | 14.40 | 14.92 | 13.06 | 12.52 |
| 67.53 | 61.66 | 66.89 | 55.34 | 71.26 | 70.29 |
| 32.47 | 38.34 | 33.11 | 44.66 | 28.74 | 29.71 |
| 12.88 | 11.36 | 12.80 | 13.06 | 9.03 | 7.45 |
| 10.08 | 11.09 | 13.20 | 16.49 | 11.76 | 10.48 |
| 22.96 | 22.45 | 26.00 | 29.55 | 20.79 | 17.93 |
| 9.51 | 15.89 | 7.11 | 15.11 | 7.95 | 11.78 |
| 2.59 | 2.61 | 2.39 | 1.60 | 2.55 | 2.18 |
| 6.92 | 13.28 | 4.72 | 13.51 | 5.40 | 9.60 |
| 0.16 | (0.59) | 0.50 | 0.92 | 0.48 | 0.30 |
| 7.08 | 12.69 | 5.22 | 14.43 | 5.88 | 9.90 |

| | | | | | |
|---|---|---|---|---|---|
| 0.23% | | 0.00% | 0.00% | 0.11% | 0.11% |
| 5.15 | | 13.25 | 8.32 | 10.83 | 11.69 |
| 2.70 | | 2.22 | 4.10 | 0.38 | 0.37 |
| 2.40 | | 0.15 | 0.28 | 3.99 | 4.33 |
| 10.48 | *** | 15.62 | 12.70 | 15.31 | 16.50 |
| 0.01 | | 0.00 | 0.00 | 0.09 | 0.17 |
| 0.16 | | 0.46 | 2.36 | 0.99 | 2.55 |
| 1.87 | | 2.07 | 0.09 | 1.10 | 2.76 |
| 0.26 | | 0.22 | 0.00 | 0.05 | 0.00 |
| 3.04 | | 1.04 | 0.00 | 1.18 | 0.16 |
| 5.34 | *** | 3.79 | 2.45 | 3.41 | 5.64 |

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 2.50% | 2.60% | 2.71% | 4.06% |
| Direct wages | 21.65 | 17.60 | 3.95 | 2.97 |
| General factory salaries and wages | 4.33 | 5.01 | 8.09 | 12.12 |
| Packing, shipping and delivery wages | 0.55 | 0.47 | 0.61 | 0.00 |
| Payroll taxes | 1.92 | 1.40 | 0.55 | 0.19 |
| Employee benefits | 2.00 | 1.49 | 0.74 | 0.00 |
| TOTAL FACTORY PAYROLL | 32.95 | 28.57 | 16.65 | 19.34 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.10 | 0.06 | 0.00 | 0.00 |
| Depreciation - other | 4.11 | 4.53 | 4.47 | 6.04 |
| Taxes - real estate | 0.07 | 0.02 | 0.00 | 0.00 |
| Taxes - other | 0.23 | 0.36 | 0.02 | 0.00 |
| Insurance | 0.70 | 0.47 | 0.53 | 0.60 |
| Building rent | 1.55 | 1.79 | 3.28 | 3.68 |
| Utilities - heat, light, etc. | 1.10 | 0.90 | 0.96 | 1.21 |
| Equipment rental | 0.97 | 1.10 | 1.56 | 1.52 |
| Total Fixed Expenses | 8.83 | 9.23 | 10.82 | 13.05 |
| Other Expenses | | | | |
| Factory supplies and expense | 1.60 | 1.71 | 2.20 | 2.90 |
| Packing, shipping and delivery expense | 1.37 | 1.59 | 1.81 | 1.90 |
| Repairs and maintenance | 1.24 | 1.41 | 1.31 | 1.73 |
| Other factory expenses | 0.96 | 0.98 | 1.11 | 1.66 |
| Total Other Expenses | 5.17 | 5.69 | 6.43 | 8.19 |
| TOTAL FACTORY EXPENSES | 14.00 | 14.92 | 17.25 | 21.24 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 4.27 | 4.20 | 6.22 | 4.58 |
| Salaries - office | 1.89 | 1.46 | 1.56 | 2.33 |
| Payroll taxes | 0.55 | 0.26 | 0.00 | 0.00 |
| Employee benefits | 0.62 | 0.39 | 0.00 | 0.00 |
| Bad debts | 0.64 | 0.51 | 0.16 | 0.24 |
| Office supplies and expenses | 0.69 | 0.73 | 0.96 | 1.44 |
| Professional fees | 0.79 | 1.03 | 1.56 | 1.69 |
| Taxes - business | 0.15 | 0.31 | 0.55 | 0.82 |
| Telephone | 0.68 | 0.78 | 0.95 | 0.61 |
| Other administrative expenses | 1.38 | 1.41 | 1.03 | 1.54 |
| TOTAL ADMINISTRATIVE EXPENSES | 11.66 | 11.08 | 12.99 | 13.25 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 2.25 | 1.69 | 3.14 | 0.00 |
| Salaries and commissions - salesmen | 4.85 | 4.17 | 0.00 | 0.00 |
| Salaries - sales office clerical | 0.45 | 0.68 | 0.00 | 0.00 |
| Payroll taxes | 0.35 | 0.36 | 0.00 | 0.00 |
| Employee benefits | 0.44 | 0.53 | 0.00 | 0.00 |
| Advertising | 0.74 | 1.37 | 0.53 | 0.32 |
| Travel and entertainment | 1.67 | 1.78 | 1.80 | 2.19 |
| Other selling expenses | 0.55 | 0.39 | 0.54 | 0.81 |
| TOTAL SELLING EXPENSES | 11.30 | 10.97 | 6.01 | 3.32 |

| SALES FROM $500,000-$1,500,000 |  | SALES FROM $1,500,000-$3,000,000 |  | SALES OVER $3,000,000 |  |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.33% | 2.13% | 2.94% | 2.72% | 2.10% | 1.81% |
| 23.34 | 26.48 | 22.30 | 12.57 | 24.88 | 26.47 |
| 3.77 | 0.00 | 2.22 | 6.65 | 5.98 | 1.95 |
| 0.31 | 0.39 | 0.69 | 0.74 | 0.56 | 0.57 |
| 2.15 | 1.79 | 1.92 | 1.43 | 2.14 | 1.90 |
| 1.73 | 1.38 | 1.73 | 1.16 | 2.90 | 2.91 |
| 33.63 | 32.17 | 31.80 | 25.27 | 38.56 | 35.61 |
|  |  |  |  |  |  |
| 0.00 | 0.00 | 0.04 | 0.05 | 0.28 | 0.16 |
| 4.70 | 5.57 | 3.85 | 5.04 | 3.77 | 2.35 |
| 0.05 | 0.00 | 0.01 | 0.04 | 0.16 | 0.04 |
| 0.46 | 0.95 | 0.22 | 0.35 | 0.13 | 0.22 |
| 1.45 | 0.44 | 0.36 | 0.29 | 0.53 | 0.57 |
| 1.70 | 1.48 | 1.52 | 1.56 | 0.96 | 0.96 |
| 1.31 | 0.81 | 0.89 | 0.72 | 1.22 | 0.92 |
| 0.48 | 0.22 | 1.57 | 0.84 | 0.54 | 1.67 |
| 10.15 | 9.47 | 8.46 | 8.89 | 7.59 | 6.89 |
|  |  |  |  |  |  |
| 1.51 | 1.06 | 0.91 | 1.34 | 2.28 | 1.71 |
| 0.48 | 0.49 | 1.95 | 1.73 | 1.30 | 1.99 |
| 1.06 | 1.15 | 1.24 | 1.74 | 1.35 | 1.03 |
| 0.22 | 0.05 | 1.84 | 1.22 | 0.54 | 0.90 |
| 3.27 | 2.75 | 5.94 | 6.03 | 5.47 | 5.63 |
| 13.42 | 12.22 | 14.40 | 14.92 | 13.06 | 12.52 |
|  |  |  |  |  |  |
| 4.99 | 5.80 | 4.59 | 4.66 | 2.74 | 2.41 |
| 1.69 | 1.39 | 2.09 | 1.62 | 1.92 | 0.77 |
| 1.20 | 0.38 | 0.50 | 0.42 | 0.26 | 0.18 |
| 0.30 | 0.30 | 0.70 | 0.61 | 0.95 | 0.48 |
| 0.88 | 0.26 | 0.82 | 1.02 | 0.41 | 0.36 |
| 0.62 | 0.70 | 0.94 | 0.64 | 0.40 | 0.38 |
| 0.72 | 0.96 | 0.76 | 0.80 | 0.65 | 0.86 |
| 0.09 | 0.01 | 0.15 | 0.46 | 0.10 | 0.03 |
| 0.59 | 0.59 | 0.82 | 1.30 | 0.51 | 0.49 |
| 1.80 | 0.97 | 1.43 | 1.53 | 1.09 | 1.49 |
| 12.88 | 11.36 | 12.80 | 13.06 | 9.03 | 7.45 |
|  |  |  |  |  |  |
| 1.59 | 1.19 | 3.35 | 3.41 | 1.30 | 1.43 |
| 5.40 | 5.18 | 4.78 | 5.71 | 5.94 | 4.75 |
| 0.09 | 0.38 | 0.44 | 1.00 | 0.87 | 1.01 |
| 0.35 | 0.52 | 0.42 | 0.54 | 0.38 | 0.30 |
| 0.32 | 0.38 | 0.49 | 0.71 | 0.60 | 0.81 |
| 0.59 | 2.15 | 1.23 | 2.51 | 0.39 | 0.41 |
| 1.55 | 1.25 | 1.93 | 2.24 | 1.45 | 1.41 |
| 0.19 | 0.04 | 0.56 | 0.37 | 0.83 | 0.36 |
| 10.08 | 11.09 | 13.20 | 16.49 | 11.76 | 10.48 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| **ASSETS** | | | | |
| CURRENT ASSETS | | | | |
| Cash | 4.89% | 5.38% | 10.68% | 10.41% |
| Receivables | 38.72 | 31.92 | 43.98 | 35.17 |
| Inventories | 5.89 | 4.30 | 2.17 | 3.25 |
| Other current assets | 4.50 | 6.58 | 3.29 | 4.24 |
| TOTAL CURRENT ASSETS | 54.00 | 48.18 | 60.12 | 53.07 |
| FIXED ASSETS | | | | |
| Real estate | 6.36 | 7.70 | 0.00 | 0.00 |
| Less: Accumulated depreciation | 1.48 | 0.48 | 0.00 | 0.00 |
| | 4.88 | 7.22 | 0.00 | 0.00 |
| Machinery and equipment | 61.84 | 61.92 | 52.32 | 65.81 |
| Less: Accumulated depreciation | 30.22 | 26.19 | 21.23 | 26.77 |
| | 31.62 | 35.73 | 31.09 | 39.04 |
| Other fixed assets | 9.87 | 12.15 | 14.39 | 15.61 |
| Less: Accumulated depreciation | 4.36 | 4.77 | 5.60 | 7.72 |
| | 5.51 | 7.38 | 8.79 | 7.89 |
| NET FIXED ASSETS | 42.01 | 50.33 | 39.88 | 46.93 |
| OTHER ASSETS | 3.99 | 1.49 | 0.00 | 0.00 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| **LIABILITIES AND EQUITY** | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 13.46 | 10.90 | 8.67 | 13.02 |
| Accounts payable | 12.67 | 7.44 | 52.07 | 14.13 |
| Other current liabilities | 9.21 | 10.17 | 0.48 | 0.72 |
| TOTAL CURRENT LIABILITIES | 35.34 | 28.51 | 61.22 | 27.87 |
| LONG-TERM LIABILITIES | 27.18 | 34.71 | 30.78 | 46.17 |
| TOTAL LIABILITIES | 62.52 | 63.22 | 92.00 | 74.04 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 37.48 | 36.78 | 8.00 | 25.96 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| CURRENT RATIO | 1.53 | 1.69 | 0.98 | 1.90 |
| QUICK RATIO | 1.36 | 1.54 | 0.95 | 1.79 |
| TOTAL LIABILITIES TO EQUITY | 1.67 | 1.72 | 11.50 | 2.85 |
| LONG-TERM LIABILITIES TO EQUITY | 0.73 | 0.94 | 3.85 | 1.78 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.49 | 0.42 | 0.41 | 0.41 |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$3,000,000 | | SALES OVER $3,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| 2.50% | 4.76% | 5.21% | 5.72% | 4.70% | 2.08% |
| 34.12 | 20.98 | 43.43 | 32.78 | 35.66 | 36.23 |
| 6.39 | 1.93 | 5.28 | 3.97 | 7.26 | 6.91 |
| 5.31 | 5.38 | 2.78 | 0.73 | 6.14 | 14.78 |
| 48.32 | 33.05 | 56.70 | 43.20 | 53.76 | 60.00 |
| | | | | | |
| 0.00 | 0.00 | 4.65 | 12.96 | 15.23 | 12.71 |
| 0.00 | 0.00 | 0.17 | 0.50 | 4.55 | 1.11 |
| 0.00 | 0.00 | 4.48 | 12.46 | 10.68 | 11.60 |
| 79.63 | 80.32 | 54.25 | 59.01 | 58.81 | 49.97 |
| 34.50 | 19.53 | 29.11 | 30.09 | 30.72 | 26.33 |
| 45.13 | 60.79 | 25.14 | 28.92 | 28.09 | 23.64 |
| 7.73 | 3.09 | 11.80 | 17.58 | 8.11 | 10.46 |
| 4.01 | 1.37 | 4.04 | 4.06 | 4.63 | 5.80 |
| 3.72 | 1.72 | 7.76 | 13.52 | 3.48 | 4.66 |
| 48.85 | 62.51 | 37.38 | 54.90 | 42.25 | 39.90 |
| 2.83 | 4.44 | 5.92 | 1.90 | 3.99 | 0.10 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | | |
| 14.46 | 12.89 | 16.57 | 13.79 | 10.67 | 5.30 |
| 10.71 | 4.37 | 9.27 | 4.82 | 6.16 | 7.64 |
| 4.31 | 4.58 | 11.57 | 11.35 | 13.14 | 19.00 |
| 29.48 | 21.84 | 37.41 | 29.96 | 29.97 | 31.94 |
| 33.03 | 46.67 | 23.09 | 21.81 | 25.92 | 31.99 |
| 62.51 | 68.51 | 60.50 | 51.77 | 55.89 | 63.93 |
| 37.49 | 31.49 | 39.50 | 48.23 | 44.11 | 36.07 |
| 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| | | | | | |
| 1.64 | 1.51 | 1.52 | 1.44 | 1.79 | 1.88 |
| 1.42 | 1.42 | 1.37 | 1.31 | 1.55 | 1.66 |
| 1.67 | 2.18 | 1.53 | 1.07 | 1.27 | 1.77 |
| 0.88 | 1.48 | 0.58 | 0.45 | 0.59 | 0.89 |
| 0.43 | 0.24 | 0.54 | 0.51 | 0.52 | 0.53 |

SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 31,420 | $ 39,452 | $ 27,044 | $ 35,740 |
| Average assets per factory employee (Excluding Executives) | 46,962 | 64,151 | 52,843 | 69,614 |
| Average net worth per employee - All employees | 11,928 | 14,390 | 3,974 | 7,309 |
| Average gross plant investment per factory employee (Excluding Executives) | 37,459 | 53,368 | 43,914 | 62,272 |
| Net worth percentage of fixed assets | 108.41% | 78.08% | 5.12% | 61.83% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 74.49% | 74.52% | 70.78% | 81.17% |
| Percent administrative - All employees | 13.13 | 13.83 | 20.89 | 18.83 |
| Percent sales - All employees | 12.38 | 11.65 | 8.33 | 0.00 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 59,831 | $ 66,154 | $ 64,409 | $ 62,759 |
| Sales per factory employee | 81,632 | 89,950 | 94,902 | 74,646 |
| Sales less material per factory employee | 63,866 | 72,834 | 61,095 | 56,500 |
| Sales per administrative employee | 579,503 | 723,383 | 456,993 | 550,074 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 71,070 | 80,461 | 113,531 | 102,589 |
| Sales per factory employee | 89,251 | 104,960 | 127,210 | 123,107 |
| Sales less material per factory employee | 69,870 | 84,556 | 85,174 | 92,619 |
| SALES PER SALESMAN | 412,599 | 377,109 | 0 | 0 |
| SALES TO CURRENT ASSETS | 403% | 378% | 538% | 334% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 48.61% | 42.30% | 27.57% | 26.26% |
| Factory payroll percentage of gross plant investment | 104.26 | 73.54 | 99.73 | 43.67 |
| Payroll per employee - All employees | $ 28,713 | $ 27,631 | $ 16,000 | $ 13,777 |
| Payroll per factory employee | 25,975 | 25,491 | 13,980 | 13,345 |
| Payroll per administrative employee | 36,233 | 32,814 | 17,880 | 13,922 |
| Payroll per sales employee | 40,612 | 38,414 | 8,492 | 0 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 22,469 | $ 21,775 | $ 11,357 | $ 11,793 |
| Payroll per factory employee | 22,042 | 22,111 | 11,567 | 12,108 |
| Payroll per administrative employee | 13,713 | 11,991 | 6,813 | 10,219 |
| Payroll per sales employee | 32,217 | 29,990 | 0 | 0 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 53,324 | 52,899 | 21,796 | 19,875 |
| Payroll per factory executive | 32,498 | 39,358 | 5,250 | 7,875 |
| Payroll per administrative executive | 61,587 | 59,252 | 16,599 | 12,000 |
| Payroll per sales executive | 47,042 | 68,089 | 8,492 | 0 |
| RECEIVABLES | | | | |
| Collection period | 70.5 | 66.9 | 61.0 | 75.5 |
| PROFIT | | | | |
| Gross profit percentage of sales | 31.69% | 37.10% | 34.20% | 35.60% |
| Average gross profit per factory employee | $ 29,084 | $ 38,968 | $ 40,938 | $ 40,156 |
| Income before taxes percentage of sales | 6.52% | 12.89% | 11.85% | 15.25% |
| Average income before taxes per employee | $ 4,135 | $ 8,465 | $ 7,162 | $ 9,033 |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$3,000,000 | | SALES OVER $3,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 28,793 | $ 42,948 | $ 32,631 | $ 48,185 | $ 33,503 | $ 30,861 |
| 43,983 | 68,726 | 49,813 | 84,639 | 44,443 | 36,971 |
| 10,409 | 13,425 | 12,825 | 22,603 | 14,542 | 11,540 |
| 38,174 | 57,266 | 36,485 | 71,148 | 36,021 | 27,052 |
| 110.60% | 50.98% | 136.24% | 92.38% | 107.02% | 92.67% |
| 72.05% | 68.51% | 72.63% | 63.51% | 79.61% | 85.08% |
| 15.56 | 17.53 | 13.24 | 15.82 | 8.74 | 6.05 |
| 12.39 | 13.96 | 14.13 | 20.67 | 11.65 | 8.87 |
| $ 53,456 | $ 57,363 | $ 58,662 | $ 69,892 | $ 64,844 | $ 70,540 |
| 75,089 | 83,637 | 82,564 | 111,452 | 81,859 | 82,859 |
| 59,580 | 69,194 | 66,170 | 94,590 | 65,591 | 64,394 |
| 407,955 | 350,312 | 482,031 | 480,411 | 860,716 | 1,330,607 |
| 63,734 | 69,449 | 66,242 | 79,002 | 69,511 | 74,508 |
| 80,725 | 91,606 | 88,907 | 122,123 | 85,062 | 84,601 |
| 64,087 | 75,794 | 71,401 | 103,816 | 68,219 | 65,761 |
| 369,991 | 232,348 | 302,658 | 377,090 | 578,614 | 666,667 |
| 426% | 403% | 372% | 382% | 378% | 386% |
| 49.55% | 47.69% | 49.17% | 43.95% | 53.53% | 47.76% |
| 87.92 | 51.41 | 119.84 | 46.49 | 101.54 | 135.27 |
| $ 26,537 | $ 27,366 | $ 28,509 | $ 30,762 | $ 34,491 | $ 33,911 |
| 24,726 | 26,952 | 25,382 | 28,338 | 31,228 | 29,768 |
| 29,736 | 23,460 | 37,639 | 34,202 | 45,391 | 50,257 |
| 35,875 | 32,048 | 41,652 | 39,787 | 52,895 | 66,893 |
| $ 22,003 | $ 23,544 | $ 21,043 | $ 22,348 | $ 27,744 | $ 26,677 |
| 21,403 | 24,603 | 21,362 | 24,505 | 26,444 | 24,723 |
| 9,923 | 9,796 | 13,547 | 11,077 | 18,998 | 15,548 |
| 33,324 | 29,480 | 28,868 | 25,367 | 44,680 | 54,948 |
| 32,185 | 30,082 | 62,975 | 64,946 | 69,079 | 78,081 |
| 22,792 | 25,624 | 26,823 | 22,691 | 54,679 | 86,171 |
| 36,153 | 30,397 | 74,485 | 93,634 | 81,242 | 75,609 |
| 19,967 | 16,166 | 67,220 | 144,233 | 58,072 | 71,951 |
| 64.5 | 58.9 | 80.2 | 76.5 | 67.3 | 56.8 |
| 32.47% | 38.34% | 33.11% | 44.66% | 28.74% | 29.71% |
| $ 26,802 | $ 35,128 | $ 31,473 | $ 54,486 | $ 24,727 | $ 25,218 |
| 7.08% | 12.69% | 5.22% | 14.43% | 5.88% | 9.90% |
| $ 3,937 | $ 7,457 | $ 3,606 | $ 10,145 | $ 3,968 | $ 7,079 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 2.43 | $ 3.23 | $ 4.64 | $ 6.16 |
| Receivables | 18.63 | 18.03 | 16.56 | 20.44 |
| Inventories | 2.94 | 2.29 | 1.25 | 1.87 |
| Marketable securities | 0.13 | 0.34 | 0.00 | 0.00 |
| Other current assets | 2.23 | 3.19 | 1.68 | 2.43 |
| | 26.36 | 27.08 | 24.13 | 30.90 |
| Plant Investment: | | | | |
| Land and building | 3.65 | 4.60 | 0.00 | 0.00 |
| Machinery and equipment | 32.98 | 37.90 | 26.44 | 37.86 |
| Other fixed assets | 4.70 | 6.63 | 6.52 | 8.93 |
| | 41.33 | 49.13 | 32.96 | 46.79 |
| Non-Current Assets | 2.33 | 1.13 | 0.00 | 0.00 |
| TOTAL INVESTMENT | 70.02 | 77.34 | 57.09 | 77.69 |
| INVESTMENT TURNOVER PER $100 OF SALES | 142.82% | 129.30% | 175.16% | 128.72% |
| EARNINGS | | | | |
| Cost of Product | $68.31 | $62.90 | $65.80 | $64.40 |
| Selling Expenses | 11.30 | 10.97 | 6.01 | 3.32 |
| Administrative Expenses | 11.66 | 11.08 | 12.99 | 13.25 |
| | 91.27 | 84.95 | 84.80 | 80.97 |
| Income Before Interest, Other Income (Expense), and Taxes | 8.73 | 15.05 | 15.20 | 19.03 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 12.47% | 19.46% | 26.62% | 24.50% |

| SALES FROM $500,000-$1,500,000 | | SALES FROM $1,500,000-$3,000,000 | | SALES OVER $3,000,000 | |
|---|---|---|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| $ 1.39 | $ 3.57 | $ 2.49 | $ 3.36 | $ 2.54 | $ 0.91 |
| 16.83 | 15.68 | 21.05 | 20.48 | 18.04 | 15.57 |
| 2.96 | 1.48 | 2.80 | 2.53 | 3.57 | 2.86 |
| 0.05 | 0.00 | 0.01 | 0.00 | 0.37 | 1.15 |
| 2.88 | 4.06 | 1.59 | 0.55 | 2.58 | 5.76 |
| 24.11 | 24.79 | 27.94 | 26.92 | 27.10 | 26.25 |
| 0.00 | 0.00 | 3.41 | 9.80 | 7.93 | 5.52 |
| 43.16 | 60.25 | 29.52 | 38.33 | 30.60 | 22.59 |
| 3.49 | 2.27 | 5.70 | 9.79 | 4.01 | 4.83 |
| 46.65 | 62.52 | 38.63 | 57.92 | 42.54 | 32.94 |
| 1.74 | 3.40 | 3.31 | 1.45 | 2.43 | 0.04 |
| 72.50 | 90.71 | 69.88 | 86.29 | 72.07 | 59.23 |
| 137.93% | 110.24% | 143.10% | 115.89% | 138.75% | 168.83% |
| $67.53 | $61.66 | $66.89 | $55.34 | $71.26 | $70.29 |
| 10.08 | 11.09 | 13.20 | 16.49 | 11.76 | 10.48 |
| 12.88 | 11.36 | 12.80 | 13.06 | 9.03 | 7.45 |
| 90.49 | 84.11 | 92.89 | 84.89 | 92.05 | 88.22 |
| 9.51 | 15.89 | 7.11 | 15.11 | 7.95 | 11.78 |
| 13.12% | 17.52% | 10.17% | 17.51% | 11.03% | 19.89% |

REPORT ON OPERATIONS - SALES = 100%

| | PRINTERS AND LITHOGRAPHERS | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | |
| MATERIAL | | |
| Paper | 2.06 | 0.01 |
| Other chargeable materials | 13.55 | 14.56 |
| Outside services | 5.14 | 4.79 |
| TOTAL MATERIAL | 20.75 | 19.36 |
| FACTORY PAYROLL | 30.78 | 28.24 |
| FACTORY EXPENSES | 15.43 | 16.11 |
| TOTAL FACTORY COST OF PRODUCT | 66.96 | 63.71 |
| GROSS PROFIT | 33.04 | 36.29 |
| ADMINISTRATIVE AND SELLING EXPENSES | | |
| Administrative expenses | 13.01 | 10.70 |
| Selling expenses | 10.44 | 10.83 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 23.45 | 21.53 |
| INCOME BEFORE INTEREST EXPENSE | 9.59 | 14.76 |
| Interest expense | 2.50 | 2.49 |
| OPERATING INCOME | 7.09 | 12.27 |
| Other income (expense) | 0.30 | 0.07 |
| INCOME BEFORE INCOME TAXES | 7.39 | 12.34 |

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS | PROFIT LEADERS |
|---|---|---|
| OTHER CHARGEABLE MATERIALS | | |
| Ink | 0.00% | 0.00% |
| Film | 9.26 | 9.05 |
| Plates | 1.12 | 0.87 |
| Other chargeable materials | 3.17 | 4.64 |
| TOTAL OTHER CHARGEABLE MATERIALS | 13.55 | 14.56 |
| OUTSIDE SERVICES | | |
| Composition | 0.05 | 0.12 |
| Offset preparation | 0.04 | 0.09 |
| Printing | 3.44 | 4.47 |
| Binding | 0.11 | 0.00 |
| Other outside services | 1.50 | 0.11 |
| TOTAL OUTSIDE SERVICES | 5.14 | 4.79 |

** Sample insufficient for Profit Leaders.

| ADVERTISING AGENCIES | | PUBLISHERS** |
|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% |
| 1.18 | 0.00 | 0.25 |
| 15.43 | 11.82 | 14.32 |
| 7.31 | 5.95 | 4.48 |
| 23.92 | 17.77 | 19.05 |
| 31.99 | 25.53 | 40.82 |
| 11.78 | 13.84 | 12.60 |
| 67.69 | 57.14 | 72.47 |
| 32.31 | 42.86 | 27.53 |
| 10.98 | 14.17 | 8.84 |
| 12.81 | 10.38 | 10.39 |
| 23.79 | 24.55 | 19.23 |
| 8.52 | 18.31 | 8.30 |
| 2.94 | 3.11 | 1.55 |
| 5.58 | 15.20 | 6.75 |
| (0.23) | 0.69 | 0.57 |
| 5.35 | 15.89 | 7.32 |

| | | |
|---|---|---|
| 0.00% | 0.00% | 0.38% |
| 13.90 | 7.74 | 11.47 |
| 1.39 | 3.82 | 1.04 |
| 0.14 | 0.26 | 1.43 |
| 15.43 | 11.82 | 14.32 |
| 0.40 | 0.00 | 0.04 |
| 0.84 | 5.72 | 4.14 |
| 5.20 | 0.23 | 0.12 |
| 0.39 | 0.00 | 0.08 |
| 0.48 | 0.00 | 0.10 |
| 7.31 | 5.95 | 4.48 |

## SUPPORTING SCHEDULES - SALES = 100%

| | PRINTERS AND LITHOGRAPHERS | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | |
| Salaries - executive | 3.37% | 3.10% |
| Direct wages | 20.09 | 18.63 |
| General factory salaries and wages | 3.63 | 3.31 |
| Packing, shipping and delivery wages | 0.57 | 0.56 |
| Payroll taxes | 1.86 | 1.45 |
| Employee benefits | 1.26 | 1.19 |
| TOTAL FACTORY PAYROLL | 30.78 | 28.24 |
| FACTORY EXPENSES | | |
| Fixed Expenses | | |
| Depreciation - real estate | 0.05 | 0.07 |
| Depreciation - other | 4.06 | 5.04 |
| Taxes - real estate | 0.01 | 0.01 |
| Taxes - other | 0.35 | 0.45 |
| Insurance | 0.86 | 0.55 |
| Building rent | 1.82 | 2.04 |
| Utilities - heat, light, etc. | 0.99 | 0.95 |
| Equipment rental | 1.68 | 1.57 |
| Total Fixed Expenses | 9.82 | 10.68 |
| Other Expenses | | |
| Factory supplies and expense | 1.37 | 1.92 |
| Packing, shipping and delivery expense | 1.73 | 1.69 |
| Repairs and maintenance | 1.20 | 1.50 |
| Other factory expenses | 1.31 | 0.32 |
| Total Other Expenses | 5.61 | 5.43 |
| TOTAL FACTORY EXPENSES | 15.43 | 16.11 |
| ADMINISTRATIVE EXPENSES | | |
| Salaries - executive | 4.62 | 3.81 |
| Salaries - office | 1.78 | 1.18 |
| Payroll taxes | 0.88 | 0.29 |
| Employee benefits | 0.43 | 0.25 |
| Bad debts | 0.73 | 0.52 |
| Office supplies and expenses | 0.88 | 0.93 |
| Professional fees | 0.77 | 0.77 |
| Taxes - business | 0.23 | 0.41 |
| Telephone | 0.80 | 0.90 |
| Other administrative expenses | 1.89 | 1.64 |
| TOTAL ADMINISTRATIVE EXPENSES | 13.01 | 10.70 |
| SELLING EXPENSES | | |
| Salaries - executive | 1.97 | 1.73 |
| Salaries and commissions - salesmen | 4.58 | 3.97 |
| Salaries - sales office clerical | 0.33 | 0.56 |
| Payroll taxes | 0.35 | 0.42 |
| Employee benefits | 0.30 | 0.46 |
| Advertising | 1.03 | 1.72 |
| Travel and entertainment | 1.51 | 1.79 |
| Other selling expenses | 0.37 | 0.18 |
| TOTAL SELLING EXPENSES | 10.44 | 10.83 |

** Sample insufficient for Profit Leaders.

| ADVERTISING AGENCIES | | PUBLISHERS** |
|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| 0.91% | 1.45% | 2.31% |
| 18.54 | 9.88 | 30.42 |
| 7.93 | 12.27 | 1.41 |
| 0.71 | 0.16 | 0.32 |
| 1.80 | 0.85 | 2.14 |
| 2.10 | 0.92 | 4.22 |
| 31.99 | 25.53 | 40.82 |
| 0.06 | 0.08 | 0.11 |
| 4.05 | 3.99 | 4.25 |
| 0.05 | 0.05 | 0.06 |
| 0.06 | 0.20 | 0.28 |
| 0.46 | 0.16 | 0.76 |
| 1.44 | 1.45 | 1.37 |
| 0.82 | 0.77 | 1.22 |
| 0.44 | 0.00 | 0.42 |
| 7.38 | 6.70 | 8.47 |
| 1.15 | 1.60 | 1.28 |
| 1.13 | 1.08 | 1.31 |
| 1.27 | 1.28 | 1.04 |
| 0.85 | 3.18 | 0.50 |
| 4.40 | 7.14 | 4.13 |
| 11.78 | 13.84 | 12.60 |
| 4.79 | 6.28 | 2.40 |
| 2.10 | 2.90 | 1.26 |
| 0.20 | 0.21 | 0.28 |
| 0.47 | 0.70 | 1.51 |
| 0.41 | 0.73 | 0.96 |
| 0.64 | 0.32 | 0.42 |
| 0.88 | 1.53 | 0.72 |
| 0.05 | 0.14 | 0.17 |
| 0.62 | 0.60 | 0.42 |
| 0.82 | 0.76 | 0.70 |
| 10.98 | 14.17 | 8.84 |
| 3.15 | 1.68 | 2.05 |
| 4.73 | 3.84 | 4.62 |
| 0.46 | 0.10 | 1.03 |
| 0.36 | 0.21 | 0.25 |
| 0.61 | 0.70 | 0.56 |
| 0.75 | 0.79 | 0.16 |
| 1.77 | 2.09 | 1.54 |
| 0.98 | 0.97 | 0.18 |
| 12.81 | 10.38 | 10.39 |

BALANCE SHEET

| | PRINTERS AND LITHOGRAPHERS | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | 3.57% | 3.90% |
| Receivables | 40.96 | 32.46 |
| Inventories | 5.56 | 4.85 |
| Other current assets | 4.33 | 4.56 |
| TOTAL CURRENT ASSETS | 54.42 | 45.77 |
| FIXED ASSETS | | |
| Real estate | 2.44 | 3.47 |
| Less: Accumulated depreciation | 0.25 | 0.48 |
| | 2.19 | 2.99 |
| Machinery and equipment | 62.01 | 66.08 |
| Less: Accumulated depreciation | 28.71 | 24.87 |
| | 33.30 | 41.21 |
| Other fixed assets | 10.14 | 12.65 |
| Less: Accumulated depreciation | 3.59 | 4.07 |
| | 6.55 | 8.58 |
| NET FIXED ASSETS | 42.04 | 52.78 |
| OTHER ASSETS | 3.54 | 1.45 |
| TOTAL ASSETS | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | |
| CURRENT LIABILITIES | | |
| Notes payable | 15.46 | 12.72 |
| Accounts payable | 10.63 | 8.24 |
| Other current liabilities | 8.04 | 7.82 |
| TOTAL CURRENT LIABILITIES | 34.13 | 28.78 |
| LONG-TERM LIABILITIES | 30.97 | 40.13 |
| TOTAL LIABILITIES | 65.10 | 68.91 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 34.90 | 31.09 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 |

BALANCE SHEET RATIOS

| | | |
|---|---|---|
| CURRENT RATIO | 1.59 | 1.59 |
| QUICK RATIO | 1.43 | 1.42 |
| TOTAL LIABILITIES TO EQUITY | 1.87 | 2.22 |
| LONG-TERM LIABILITIES TO EQUITY | 0.89 | 1.29 |
| ACCUMULATED DEPRECIATION MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.46 | 0.38 |

** Sample insufficient for Profit Leaders.

| ADVERTISING AGENCIES |  | PUBLISHERS** |
|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| 7.54% | 12.72% | 4.36% |
| 41.60 | 32.45 | 30.48 |
| 5.47 | 3.44 | 5.37 |
| 3.12 | 2.01 | 10.37 |
| 57.73 | 50.62 | 50.58 |
|  |  |  |
| 6.77 | 19.45 | 12.82 |
| 0.94 | 0.76 | 4.69 |
| 5.83 | 18.69 | 8.13 |
|  |  |  |
| 52.15 | 45.24 | 66.49 |
| 24.56 | 20.53 | 36.43 |
| 27.59 | 24.71 | 30.06 |
|  |  |  |
| 10.51 | 6.83 | 9.16 |
| 4.66 | 3.22 | 5.20 |
| 5.85 | 3.61 | 3.96 |
| 39.27 | 47.01 | 42.15 |
| 3.00 | 2.37 | 7.27 |
|  |  |  |
| 100.00 | 100.00 | 100.00 |
|  |  |  |
| 13.42 | 9.99 | 9.30 |
| 21.41 | 6.17 | 5.61 |
| 8.38 | 9.02 | 15.61 |
|  |  |  |
| 43.21 | 25.18 | 30.52 |
|  |  |  |
| 26.31 | 30.05 | 16.24 |
|  |  |  |
| 69.52 | 55.23 | 46.76 |
|  |  |  |
| 30.48 | 44.77 | 53.24 |
|  |  |  |
| 100.00 | 100.00 | 100.00 |

| | | |
|---|---|---|
| 1.34 | 2.01 | 1.66 |
| 1.21 | 1.87 | 1.48 |
| 2.28 | 1.23 | 0.88 |
| 0.86 | 0.67 | 0.31 |
|  |  |  |
| 0.47 | 0.45 | 0.55 |

## SIGNIFICANT FACTS

| | PRINTERS AND LITHOGRAPHERS | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | |
| Average assets per employee - All employees | $ 31,095 | $ 40,190 |
| Average assets per factory employee (Excluding Executives) | 48,833 | 65,330 |
| Average net worth per employee - All employees | 10,298 | 12,355 |
| Average gross plant investment per factory employee (Excluding Executives) | 38,319 | 55,293 |
| Net worth percentage of fixed assets | 123.59% | 62.23% |
| EMPLOYEES | | |
| Percent factory - All employees | 74.83% | 75.64% |
| Percent administrative - All employees | 13.28 | 11.87 |
| Percent sales - All employees | 11.89 | 12.49 |
| SALES - VALUE OF PRODUCT PRODUCED | | |
| INCLUDING EXECUTIVES | | |
| Sales per employee - All employees | $ 60,737 | $ 68,399 |
| Sales per factory employee | 81,581 | 90,745 |
| Sales less material per factory employee | 64,667 | 73,116 |
| Sales per administrative employee | 541,844 | 676,423 |
| EXCLUDING EXECUTIVES | | |
| Sales per employee - All employees | 73,410 | 86,304 |
| Sales per factory employee | 93,511 | 109,401 |
| Sales less material per factory employee | 73,868 | 87,458 |
| SALES PER SALESMAN | 325,550 | 385,659 |
| SALES TO CURRENT ASSETS | 409% | 405% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | |
| INCLUDING EXECUTIVES | | |
| Total payroll percentage of sales | 46.03% | 40.91% |
| Factory payroll percentage of gross plant investment | 117.99 | 78.81 |
| Payroll per employee - All employees | $ 27,242 | $ 27,159 |
| Payroll per factory employee | 24,529 | 25,311 |
| Payroll per administrative employee | 34,191 | 28,811 |
| Payroll per sales employee | 36,820 | 35,803 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | |
| EXCLUDING EXECUTIVES | | |
| Payroll per employee - All employees | $ 21,155 | $ 21,737 |
| Payroll per factory employee | 20,801 | 22,062 |
| Payroll per administrative employee | 12,204 | 11,488 |
| Payroll per sales employee | 28,555 | 27,682 |
| EXECUTIVE PAYROLL | | |
| Payroll per executive - All executives | 50,601 | 46,074 |
| Payroll per factory executive | 34,881 | 35,803 |
| Payroll per administrative executive | 53,327 | 44,665 |
| Payroll per sales executive | 40,671 | 60,314 |
| RECEIVABLES | | |
| Collection period | 70.0 | 65.8 |
| PROFIT | | |
| Gross profit percentage of sales | 33.04% | 36.29% |
| Average gross profit per factory employee | $ 31,610 | $ 39,364 |
| Income before taxes percentage of sales | 7.39% | 12.34% |
| Average income before taxes per employee | $ 4,948 | $ 8,543 |

** Sample insufficient for Profit Leaders.

| ADVERTISING AGENCIES | | PUBLISHERS** |
|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| $ 32,556 | $ 39,542 | $ 31,379 |
| 48,034 | 72,324 | 40,230 |
| 11,470 | 18,362 | 16,973 |
| 34,804 | 53,674 | 35,319 |
| 73.86% | 96.34% | 132.68% |
| 71.32% | 64.29% | 82.01% |
| 14.96 | 25.89 | 7.16 |
| 13.72 | 9.82 | 10.83 |
| $ 59,887 | $ 56,103 | $ 60,162 |
| 87,502 | 91,634 | 73,214 |
| 65,755 | 77,079 | 59,233 |
| 506,828 | 226,567 | 1,022,523 |
| 71,832 | 63,708 | 66,310 |
| 90,472 | 100,984 | 76,586 |
| 68,270 | 85,178 | 61,967 |
| 432,766 | 342,908 | 700,000 |
| 391% | 299% | 392% |
| 48.86% | 42.15% | 54.78% |
| 103.31 | 53.41 | 89.46 |
| $ 29,076 | $ 24,626 | $ 33,174 |
| 26,133 | 23,911 | 29,870 |
| 35,498 | 20,354 | 51,092 |
| 41,962 | 24,879 | 51,969 |
| $ 22,381 | $ 18,857 | $ 25,931 |
| 22,558 | 21,604 | 24,501 |
| 14,183 | 8,594 | 15,658 |
| 29,251 | 16,493 | 45,177 |
| 60,042 | 45,513 | 61,376 |
| 19,437 | 15,165 | 56,023 |
| 72,676 | 82,209 | 65,325 |
| 58,722 | 70,210 | 65,479 |
| 78.9 | 79.9 | 60.6 |
| 32.31% | 42.86% | 27.53% |
| $ 30,354 | $ 44,281 | $ 21,272 |
| 5.35% | 15.89% | 7.32% |
| $ 3,144 | $ 8,635 | $ 4,544 |

RETURN ON INVESTMENT - PER $100 OF SALES

| | PRINTERS AND LITHOGRAPHERS | |
|---|---|---|
| | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | |
| Current Assets: | | |
| Cash | $ 1.58 | $ 2.14 |
| Receivables | 18.58 | 17.74 |
| Inventories | 2.60 | 2.43 |
| Marketable securities | 0.23 | 0.49 |
| Other current assets | 1.98 | 2.13 |
| | 24.97 | 24.93 |
| Plant Investment: | | |
| Land and building | 1.20 | 1.41 |
| Machinery and equipment | 32.51 | 41.03 |
| Other fixed assets | 5.02 | 6.89 |
| | 38.73 | 49.33 |
| Non-Current Assets | 2.07 | 1.10 |
| TOTAL INVESTMENT | 65.77 | 75.36 |
| INVESTMENT TURNOVER PER $100 OF SALES | 152.05% | 132.70% |
| EARNINGS | | |
| Cost of Product | $66.96 | $63.71 |
| Selling Expenses | 10.44 | 10.83 |
| Administrative Expenses | 13.01 | 10.70 |
| | 90.41 | 85.24 |
| Income Before Interest, Other Income (Expense), and Taxes | 9.59 | 14.76 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 14.58% | 19.59% |

** Sample insufficient for Profit Leaders.

| ADVERTISING AGENCIES | | PUBLISHERS** |
|---|---|---|
| ALL FIRMS | PROFIT LEADERS | ALL FIRMS |
| $ 3.92 | $ 8.39 | $ 2.34 |
| 20.89 | 21.56 | 15.73 |
| 3.12 | 2.40 | 2.73 |
| 0.04 | 0.00 | 0.01 |
| 1.90 | 1.29 | 5.14 |
| 29.87 | 33.64 | 25.95 |
| 4.59 | 14.70 | 6.05 |
| 30.16 | 29.90 | 34.97 |
| 4.52 | 4.34 | 4.74 |
| 39.27 | 48.94 | 45.76 |
| 1.67 | 1.79 | 4.23 |
| 70.81 | 84.37 | 75.94 |
| 141.22% | 118.53% | 131.68% |
| $67.69 | $57.14 | $72.47 |
| 12.81 | 10.38 | 10.39 |
| 10.98 | 14.17 | 8.84 |
| 91.48 | 81.69 | 91.70 |
| 8.52 | 18.31 | 8.30 |
| 12.03% | 21.70% | 10.93% |

## REPORT ON OPERATIONS - SALES = 100%

| | BLACK AND WHITE | | COLOR WORK | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 1.06 | 0.00 | 2.05 | 0.01 |
| Other chargeable materials | 9.39 | 13.64 | 14.60 | 14.25 |
| Outside services | 16.72 | 10.18 | 3.88 | 4.04 |
| TOTAL MATERIAL | 27.17 | 23.82 | 20.53 | 18.30 |
| FACTORY PAYROLL | 18.62 | 19.34 | 35.00 | 30.87 |
| FACTORY EXPENSES | 15.99 | 21.24 | 13.72 | 13.35 |
| TOTAL FACTORY COST OF PRODUCT | 61.78 | 64.40 | 69.25 | 62.52 |
| GROSS PROFIT | 38.22 | 35.60 | 30.75 | 37.48 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 14.63 | 13.25 | 11.22 | 10.53 |
| Selling expenses | 9.92 | 3.32 | 11.50 | 12.89 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 24.55 | 16.57 | 22.72 | 23.42 |
| INCOME BEFORE INTEREST EXPENSE | 13.67 | 19.03 | 8.03 | 14.06 |
| Interest expense | 2.54 | 3.81 | 2.51 | 2.07 |
| OPERATING INCOME | 11.13 | 15.22 | 5.52 | 11.99 |
| Other income (expense) | (1.54) | 0.03 | 0.56 | 0.31 |
| INCOME BEFORE INCOME TAXES | 9.59 | 15.25 | 6.08 | 12.30 |

## SUPPORTING SCHEDULES - SALES = 100%

| | BLACK AND WHITE | | COLOR WORK | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 0.00% | 0.00% | 0.14% | 0.08% |
| Film | 7.31 | 8.68 | 9.85 | 9.96 |
| Plates | 0.94 | 2.26 | 1.43 | 1.09 |
| Other chargeable materials | 1.14 | 2.70 | 3.18 | 3.12 |
| TOTAL OTHER CHARGEABLE MATERIALS | 9.39 | 13.64 | 14.60 | 14.25 |
| OUTSIDE SERVICES | | | | |
| Composition | 0.58 | 0.00 | 0.05 | 0.11 |
| Offset preparation | 0.62 | 0.00 | 0.73 | 2.09 |
| Printing | 12.59 | 10.18 | 1.50 | 1.74 |
| Binding | 0.87 | 0.00 | 0.10 | 0.00 |
| Other outside services | 2.06 | 0.00 | 1.50 | 0.10 |
| TOTAL OUTSIDE SERVICES | 16.72 | 10.18 | 3.88 | 4.04 |

SUPPORTING SCHEDULES - SALES = 100%

| | BLACK AND WHITE | | COLOR WORK | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.95% | 4.06% | 2.30% | 2.23% |
| Direct wages | 5.55 | 2.97 | 23.94 | 21.25 |
| General factory salaries and wages | 6.36 | 12.12 | 4.05 | 3.23 |
| Packing, shipping and delivery wages | 1.04 | 0.00 | 0.48 | 0.59 |
| Payroll taxes | 0.91 | 0.19 | 2.06 | 1.70 |
| Employee benefits | 0.81 | 0.00 | 2.17 | 1.87 |
| TOTAL FACTORY PAYROLL | 18.62 | 19.34 | 35.00 | 30.87 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.00 | 0.00 | 0.11 | 0.08 |
| Depreciation - other | 3.71 | 6.04 | 4.16 | 4.16 |
| Taxes - real estate | 0.00 | 0.00 | 0.08 | 0.03 |
| Taxes - other | 0.02 | 0.00 | 0.26 | 0.45 |
| Insurance | 0.40 | 0.60 | 0.74 | 0.43 |
| Building rent | 2.73 | 3.68 | 1.38 | 1.32 |
| Utilities - heat, light, etc. | 0.82 | 1.21 | 1.15 | 0.82 |
| Equipment rental | 1.17 | 1.52 | 0.95 | 1.00 |
| Total Fixed Expenses | 8.85 | 13.05 | 8.83 | 8.29 |
| Other Expenses | | | | |
| Factory supplies and expense | 1.94 | 2.90 | 1.56 | 1.41 |
| Packing, shipping and delivery expense | 3.11 | 1.90 | 1.12 | 1.52 |
| Repairs and maintenance | 1.26 | 1.73 | 1.23 | 1.32 |
| Other factory expenses | 0.83 | 1.66 | 0.98 | 0.81 |
| Total Other Expenses | 7.14 | 8.19 | 4.89 | 5.06 |
| TOTAL FACTORY EXPENSES | 15.99 | 21.24 | 13.72 | 13.35 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 6.36 | 4.58 | 3.97 | 4.09 |
| Salaries - office | 1.91 | 2.33 | 1.88 | 1.25 |
| Payroll taxes | 0.14 | 0.00 | 0.61 | 0.32 |
| Employee benefits | 0.16 | 0.00 | 0.68 | 0.48 |
| Bad debts | 0.37 | 0.24 | 0.68 | 0.58 |
| Office supplies and expenses | 1.39 | 1.44 | 0.59 | 0.55 |
| Professional fees | 1.67 | 1.69 | 0.66 | 0.87 |
| Taxes - business | 0.41 | 0.82 | 0.12 | 0.19 |
| Telephone | 0.92 | 0.61 | 0.64 | 0.82 |
| Other administrative expenses | 1.30 | 1.54 | 1.39 | 1.38 |
| TOTAL ADMINISTRATIVE EXPENSES | 14.63 | 13.25 | 11.22 | 10.53 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 4.29 | 0.00 | 1.96 | 2.12 |
| Salaries and commissions - salesmen | 1.33 | 0.00 | 5.36 | 5.22 |
| Salaries - sales office clerical | 0.24 | 0.00 | 0.48 | 0.85 |
| Payroll taxes | 0.11 | 0.00 | 0.38 | 0.44 |
| Employee benefits | 0.10 | 0.00 | 0.48 | 0.67 |
| Advertising | 0.88 | 0.32 | 0.72 | 1.63 |
| Travel and entertainment | 1.85 | 2.19 | 1.65 | 1.68 |
| Other selling expenses | 1.12 | 0.81 | 0.47 | 0.28 |
| TOTAL SELLING EXPENSES | 9.92 | 3.32 | 11.50 | 12.89 |

## BALANCE SHEET

| | BLACK AND WHITE | | COLOR WORK | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 9.44% | 10.41% | 4.23% | 4.12% |
| Receivables | 50.36 | 35.17 | 37.07 | 31.12 |
| Inventories | 2.36 | 3.25 | 6.39 | 4.56 |
| Other current assets | 3.13 | 4.24 | 4.70 | 7.16 |
| TOTAL CURRENT ASSETS | 65.29 | 53.07 | 52.39 | 46.96 |
| FIXED ASSETS | | | | |
| Real estate | 0.00 | 0.00 | 7.27 | 9.63 |
| Less: Accumulated depreciation | 0.00 | 0.00 | 1.69 | 0.61 |
| | 0.00 | 0.00 | 5.58 | 9.02 |
| Machinery and equipment | 65.32 | 65.81 | 61.34 | 60.95 |
| Less: Accumulated depreciation | 37.21 | 26.77 | 29.22 | 26.04 |
| | 28.11 | 39.04 | 32.12 | 34.91 |
| Other fixed assets | 10.80 | 15.61 | 9.74 | 11.29 |
| Less: Accumulated depreciation | 4.20 | 7.72 | 4.39 | 4.04 |
| | 6.60 | 7.89 | 5.35 | 7.25 |
| NET FIXED ASSETS | 34.71 | 46.93 | 43.05 | 51.18 |
| OTHER ASSETS | 0.00 | 0.00 | 4.56 | 1.86 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 15.86 | 13.01 | 13.12 | 10.38 |
| Accounts payable | 41.95 | 14.13 | 8.49 | 5.77 |
| Other current liabilities | 4.10 | 0.72 | 9.93 | 12.53 |
| TOTAL CURRENT LIABILITIES | 61.91 | 27.86 | 31.54 | 28.68 |
| LONG-TERM LIABILITIES | 24.35 | 46.18 | 27.58 | 31.84 |
| TOTAL LIABILITIES | 86.26 | 74.04 | 59.12 | 60.52 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 13.74 | 25.96 | 40.88 | 39.48 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.05 | 1.90 | 1.66 | 1.64 |
| QUICK RATIO | 1.02 | 1.79 | 1.46 | 1.48 |
| TOTAL LIABILITIES TO EQUITY | 6.28 | 2.85 | 1.45 | 1.53 |
| LONG-TERM LIABILITIES TO EQUITY | 1.77 | 1.78 | 0.67 | 0.81 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.57 | 0.41 | 0.48 | 0.43 |

SIGNIFICANT FACTS

| | BLACK AND WHITE | | COLOR WORK | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 23,661 | $ 35,740 | $ 32,529 | $ 40,379 |
| Average assets per factory employee (Excluding Executives) | 45,360 | 69,614 | 47,190 | 62,785 |
| Average net worth per employee - All employees | 4,026 | 7,309 | 13,057 | 16,160 |
| Average gross plant investment per factory employee (Excluding Executives) | 38,912 | 62,272 | 37,251 | 51,142 |
| Net worth percentage of fixed assets | 44.16% | 61.83% | 117.59% | 82.14% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 71.03% | 81.17% | 74.99% | 72.85% |
| Percent administrative - All employees | 19.51 | 18.83 | 12.22 | 12.58 |
| Percent sales - All employees | 9.46 | 0.00 | 12.79 | 14.57 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 60,818 | $ 62,759 | $ 59,690 | $ 67,003 |
| Sales per factory employee | 88,604 | 74,646 | 80,636 | 93,776 |
| Sales less material per factory employee | 60,994 | 56,500 | 64,276 | 76,918 |
| Sales per administrative employee | 424,070 | 550,074 | 601,708 | 766,710 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 101,413 | 102,589 | 66,735 | 74,929 |
| Sales per factory employee | 116,623 | 123,107 | 85,341 | 100,423 |
| Sales less material per factory employee | 82,352 | 92,619 | 68,086 | 82,540 |
| SALES PER SALESMAN | 166,667 | 0 | 430,165 | 377,109 |
| SALES TO CURRENT ASSETS | 518% | 334% | 386% | 389% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 33.25% | 26.26% | 50.80% | 46.31% |
| Factory payroll percentage of gross plant investment | 96.58 | 43.67 | 105.35 | 81.01 |
| Payroll per employee - All employees | $ 18,293 | $ 13,777 | $ 30,201 | $ 31,094 |
| Payroll per factory employee | 14,762 | 13,345 | 27,578 | 28,528 |
| Payroll per administrative employee | 22,295 | 13,922 | 38,224 | 37,537 |
| Payroll per sales employee | 20,840 | 0 | 43,437 | 48,017 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 12,275 | $ 11,793 | $ 23,925 | $ 24,271 |
| Payroll per factory employee | 11,613 | 12,108 | 23,532 | 24,611 |
| Payroll per administrative employee | 8,727 | 10,219 | 14,425 | 12,433 |
| Payroll per sales employee | 10,221 | 0 | 35,359 | 37,488 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 28,344 | 19,875 | 56,893 | 61,156 |
| Payroll per factory executive | 11,432 | 7,875 | 35,507 | 47,229 |
| Payroll per administrative executive | 28,949 | 12,000 | 66,249 | 71,065 |
| Payroll per sales executive | 25,119 | 0 | 50,174 | 85,111 |
| RECEIVABLES | | | | |
| Collection period | 63.8 | 75.5 | 71.4 | 64.7 |
| PROFIT | | | | |
| Gross profit percentage of sales | 38.22% | 35.60% | 30.75% | 37.48% |
| Average gross profit per factory employee | $ 41,376 | $ 40,156 | $ 27,328 | $ 38,671 |
| Income before taxes percentage of sales | 9.59% | 15.25% | 6.08% | 12.30% |
| Average income before taxes per employee | $ 5,720 | $ 9,033 | $ 3,909 | $ 8,323 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | BLACK AND WHITE | | COLOR WORK | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 3.87 | $ 6.16 | $ 2.23 | $ 2.49 |
| Receivables | 17.11 | 20.44 | 18.86 | 17.45 |
| Inventories | 1.13 | 1.87 | 3.19 | 2.39 |
| Marketable securities | 0.00 | 0.00 | 0.15 | 0.43 |
| Other current assets | 1.44 | 2.43 | 2.34 | 3.38 |
| | 23.55 | 30.90 | 26.77 | 26.14 |
| Plant Investment: | | | | |
| Land and building | 0.00 | 0.00 | 4.17 | 5.74 |
| Machinery and equipment | 26.88 | 37.86 | 33.85 | 37.91 |
| Other fixed assets | 4.89 | 8.93 | 4.67 | 6.05 |
| | 31.77 | 46.79 | 42.69 | 49.70 |
| Non-Current Assets | 0.00 | 0.00 | 2.66 | 1.41 |
| TOTAL INVESTMENT | 55.32 | 77.69 | 72.12 | 77.25 |
| INVESTMENT TURNOVER PER $100 OF SALES | 180.77% | 128.72% | 138.66% | 129.45% |
| EARNINGS | | | | |
| Cost of Product | $61.78 | $64.40 | $69.25 | $62.52 |
| Selling Expenses | 9.92 | 3.32 | 11.50 | 12.89 |
| Administrative Expenses | 14.63 | 13.25 | 11.22 | 10.53 |
| | 86.33 | 80.97 | 91.97 | 85.94 |
| Income Before Interest, Other Income (Expense), and Taxes | 13.67 | 19.03 | 8.03 | 14.06 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 24.71% | 24.50% | 11.13% | 18.20% |

LITHO PREP SPECIALISTS ABSOLUTE DATA

| | | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | NUMBER OF PARTICIPATING FIRMS | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME |
| TOTAL - ALL FIRMS | 32 | $1,524,000 | $2,934,000 | $175,000 |
| TOTAL - PROFIT LEADERS* | 10 | 1,597,000 | 3,120,000 | 340,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| 0-$500,000 | 3 | 101,000 | 242,000 | 28,000 |
| $500,000-$1,500,000 | 8 | 533,000 | 992,000 | 73,000 |
| $1,500,000-$3,000,000 | 11 | 1,195,000 | 2,193,000 | 118,000 |
| Over $3,000,000 | 10 | 3,104,000 | 6,110,000 | 362,000 |
| PROFIT LEADERS | | | | |
| 0-$500,000 | 2 | 133,000 | 228,000 | 35,000 |
| $500,000-$1,500,000 | 2 | 783,000 | 1,051,000 | 145,000 |
| $1,500,000-$3,000,000 | 3 | 1,586,000 | 2,358,000 | 340,000 |
| Over $3,000,000 | 3 | 3,126,000 | 7,191,000 | 672,000 |
| BY MARKET | | | | |
| ALL FIRMS | | | | |
| Printers and Lithographers | 15 | 1,188,000 | 2,544,000 | 201,000 |
| Advertising Agencies | 9 | 1,461,000 | 2,630,000 | 80,000 |
| Publishers | 4 | 1,881,000 | 3,658,000 | 271,000 |
| PROFIT LEADERS | | | | |
| Printers and Lithographers | 7 | 1,750,000 | 3,537,000 | 373,000 |
| Advertising Agencies | 2 | 871,000 | 1,178,000 | 174,000 |
| BY TYPE OF WORK | | | | |
| ALL FIRMS | | | | |
| Black and White | 4 | 208,000 | 670,000 | 35,000 |
| Color Work | 28 | 1,712,000 | 3,257,000 | 195,000 |
| PROFIT LEADERS | | | | |
| Black and White | 2 | 133,000 | 228,000 | 35,000 |
| Color Work | 8 | 1,963,000 | 3,844,000 | 416,000 |

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.

** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 30.

## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

|  |  |  | % of Sales |  |
|---|---|---|---|---|
| Firm | Sales | Factory Payroll | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% |  |
| B | 500,000 | 100,000 | 20.0 |  |
| C | 8,000,000 | 975,000 | 12.2 |  |
|  |  |  | 62.2% divided by 3 = 20.7% |  |

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The National Composition Association, a section of Printing Industries of America, is specifically designed to focus on the special interests of its members and the composition industry in all facets of composition production, management, and technology.

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For more information about the National Composition Association, please write or call me at Printing Industries of America.

Wade Dowdle

Wade Dowdle
Executive Director
National Composition Association
(703) 841-8165

REPORT ON OPERATIONS - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | | |
| MATERIAL | | | | |
| Paper | 2.29 | 3.79 | 1.94 | 5.05 |
| Other chargeable materials | 4.63 | 2.50 | 6.24 | 3.22 |
| Outside services | 4.80 | 1.24 | 10.44 | 1.43 |
| TOTAL MATERIAL | 11.72 | 7.53 | 18.62 | 9.70 |
| FACTORY PAYROLL | 43.60 | 42.32 | 40.67 | 41.60 |
| FACTORY EXPENSES | 16.50 | 14.51 | 15.90 | 13.57 |
| TOTAL FACTORY COST OF PRODUCT | 71.82 | 64.36 | 75.19 | 64.87 |
| GROSS PROFIT | 28.18 | 35.64 | 24.81 | 35.13 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | | |
| Administrative expenses | 14.03 | 18.04 | 15.56 | 19.48 |
| Selling expenses | 9.71 | 6.11 | 5.65 | 3.87 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 23.74 | 24.15 | 21.21 | 23.35 |
| INCOME BEFORE INTEREST EXPENSE | 4.44 | 11.49 | 3.60 | 11.78 |
| Interest expense | 2.26 | 0.63 | 2.01 | 0.84 |
| OPERATING INCOME | 2.18 | 10.86 | 1.59 | 10.94 |
| Other income (expense) | 0.47 | (0.21) | 0.83 | (0.53) |
| INCOME BEFORE INCOME TAXES | 2.65 | 10.65 | 2.42 | 10.41 |

SUPPORTING SCHEDULES - SALES = 100%

| | | | | |
|---|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | | |
| Ink | 0.03% | | | |
| Film | 2.61 | | | |
| Plates | 0.04 | | | |
| Other chargeable materials | 1.95 | | | |
| TOTAL OTHER CHARGEABLE MATERIALS | 4.63 | *** | *** | *** |
| OUTSIDE SERVICES | | | | |
| Composition | 0.61 | 0.20% | 0.10% | 0.23% |
| Offset preparation | 1.55 | 0.00 | 4.97 | 0.00 |
| Printing | 1.34 | 0.00 | 4.14 | 0.00 |
| Binding | 0.00 | 0.00 | 0.00 | 0.00 |
| Other outside services | 1.30 | 1.04 | 1.23 | 1.20 |
| TOTAL OUTSIDE SERVICES | 4.80 | 1.24 | 10.44 | 1.43 |

** Sample insufficient for Profit Leaders.
*** Information not submitted.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$3,000,000** | SALES OVER $3,000,000** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% |
| 3.26 | 0.00 | 1.23 |
| 3.68 | 3.72 | 4.89 |
| 2.14 | 2.41 | 3.68 |
| 9.08 | 6.13 | 9.80 |
| 42.42 | 51.78 | 48.07 |
| 17.93 | 13.01 | 15.12 |
| 69.43 | 70.92 | 72.99 |
| 30.57 | 29.08 | 27.01 |
| 14.39 | 10.74 | 11.95 |
| 11.29 | 13.61 | 10.55 |
| 25.68 | 24.35 | 22.50 |
| 4.89 | 4.73 | 4.51 |
| 2.19 | 2.24 | 2.88 |
| 2.70 | 2.49 | 1.63 |
| 0.81 | 0.17 | (0.85) |
| 3.51 | 2.66 | 0.78 |

| | | |
|---|---|---|
| 0.00% | 0.00% | 0.06% |
| 1.02 | 2.54 | 4.03 |
| 0.00 | 0.00 | 0.09 |
| 2.66 | 1.18 | 0.71 |
| 3.68 | 3.72 | 4.89 |
| 0.99 | 1.65 | 0.83 |
| 0.00 | 0.03 | 0.00 |
| 0.52 | 0.00 | 0.00 |
| 0.00 | 0.00 | 0.00 |
| 0.63 | 0.73 | 2.85 |
| 2.14 | 2.41 | 3.68 |

SUPPORTING SCHEDULES - SALES = 100%

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | | |
| Salaries - executive | 3.84% | 0.79% | 2.44% | 1.05% |
| Direct wages | 30.76 | 30.42 | 32.96 | 32.60 |
| General factory salaries and wages | 2.48 | 5.39 | 1.40 | 3.25 |
| Packing, shipping and delivery wages | 0.65 | 0.37 | 0.00 | 0.00 |
| Payroll taxes | 2.72 | 2.81 | 2.24 | 2.75 |
| Employee benefits | 3.15 | 2.54 | 1.63 | 1.95 |
| TOTAL FACTORY PAYROLL | 43.60 | 42.32 | 40.67 | 41.60 |
| FACTORY EXPENSES | | | | |
| Fixed Expenses | | | | |
| Depreciation - real estate | 0.56 | 0.21 | 0.77 | 0.00 |
| Depreciation - other | 3.81 | 5.41 | 4.61 | 6.02 |
| Taxes - real estate | 0.13 | 0.18 | 0.00 | 0.00 |
| Taxes - other | 0.18 | 0.26 | 0.38 | 0.32 |
| Insurance | 0.73 | 0.65 | 0.66 | 0.64 |
| Building rent | 1.86 | 2.49 | 3.07 | 3.32 |
| Utilities - heat, light, etc. | 0.82 | 0.46 | 0.69 | 0.43 |
| Equipment rental | 1.52 | 0.47 | 1.86 | 0.62 |
| Total Fixed Expenses | 9.61 | 10.13 | 12.04 | 11.35 |
| Other Expenses | | | | |
| Factory supplies and expense | 2.78 | 2.12 | 1.27 | 0.47 |
| Packing, shipping and delivery expense | 1.48 | 0.68 | 0.98 | 0.22 |
| Repairs and maintenance | 1.49 | 1.43 | 1.19 | 1.33 |
| Other factory expenses | 1.14 | 0.15 | 0.42 | 0.20 |
| Total Other Expenses | 6.89 | 4.38 | 3.86 | 2.22 |
| TOTAL FACTORY EXPENSES | 16.50 | 14.51 | 15.90 | 13.57 |
| ADMINISTRATIVE EXPENSES | | | | |
| Salaries - executive | 4.93 | 8.93 | 6.29 | 9.85 |
| Salaries - office | 2.42 | 2.28 | 1.72 | 2.26 |
| Payroll taxes | 0.56 | 0.54 | 0.44 | 0.52 |
| Employee benefits | 0.60 | 0.42 | 0.27 | 0.28 |
| Bad debts | 0.59 | 0.62 | 0.58 | 0.68 |
| Office supplies and expenses | 1.04 | 1.98 | 1.25 | 1.77 |
| Professional fees | 0.86 | 1.23 | 1.21 | 1.57 |
| Taxes - business | 0.22 | 0.38 | 0.42 | 0.49 |
| Telephone | 0.70 | 0.70 | 0.74 | 0.77 |
| Other administrative expenses | 2.11 | 0.96 | 2.64 | 1.29 |
| TOTAL ADMINISTRATIVE EXPENSES | 14.03 | 18.04 | 15.56 | 19.48 |
| SELLING EXPENSES | | | | |
| Salaries - executive | 1.51 | 1.31 | 1.85 | 1.75 |
| Salaries and commissions - salesmen | 3.75 | 1.86 | 0.45 | 0.00 |
| Salaries - sales office clerical | 0.85 | 0.27 | 0.48 | 0.00 |
| Payroll taxes | 0.34 | 0.23 | 0.21 | 0.15 |
| Employee benefits | 0.47 | 0.34 | 0.13 | 0.24 |
| Advertising | 0.64 | 0.75 | 0.38 | 0.34 |
| Travel and entertainment | 1.38 | 1.35 | 0.99 | 1.39 |
| Other selling expenses | 0.77 | 0.00 | 1.16 | 0.00 |
| TOTAL SELLING EXPENSES | 9.71 | 6.11 | 5.65 | 3.87 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$3,000,000** | SALES OVER $3,000,000** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| 3.80% | 7.92% | 4.51% |
| 28.80 | 33.37 | 31.31 |
| 3.34 | 0.18 | 2.88 |
| 1.13 | 0.53 | 0.45 |
| 2.79 | 3.36 | 3.09 |
| 2.56 | 6.42 | 5.83 |
| 42.42 | 51.78 | 48.07 |
| 0.62 | 0.23 | 0.18 |
| 3.68 | 2.32 | 3.45 |
| 0.22 | 0.02 | 0.13 |
| 0.09 | 0.15 | 0.14 |
| 1.00 | 0.06 | 0.39 |
| 1.60 | 1.88 | 0.62 |
| 0.77 | 0.63 | 1.23 |
| 1.81 | 0.69 | 0.54 |
| 9.7[illegible] | 5.98 | 6.68 |
| 2.96 | 2.86 | 4.70 |
| 1.57 | 3.12 | 1.37 |
| 1.86 | 0.81 | 1.30 |
| 1.75 | 0.24 | 1.07 |
| 8.14 | 7.03 | 8.44 |
| 17.93 | 13.01 | 15.12 |
| 5.46 | 1.74 | 2.63 |
| 2.65 | 2.74 | 2.83 |
| 0.75 | 0.28 | 0.34 |
| 0.71 | 0.36 | 0.96 |
| 0.80 | 0.47 | 0.10 |
| 1.21 | 0.39 | 0.54 |
| 0.69 | 0.67 | 0.79 |
| 0.19 | 0.08 | 0.04 |
| 0.66 | 0.75 | 0.73 |
| 1.27 | 3.26 | 2.99 |
| 14.39 | 10.74 | 11.95 |
| 1.77 | 0.00 | 0.91 |
| 5.13 | 4.22 | 5.28 |
| 0.39 | 3.88 | 1.41 |
| 0.41 | 0.49 | 0.30 |
| 0.41 | 1.48 | 0.74 |
| 0.96 | 0.43 | 0.31 |
| 1.82 | 0.88 | 1.08 |
| 0.40 | 2.23 | 0.52 |
| 11.29 | 13.61 | 10.55 |

## BALANCE SHEET

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash | 5.36% | 4.94% | 6.08% | 4.17% |
| Receivables | 33.00 | 34.50 | 34.40 | 42.93 |
| Inventories | 8.09 | 5.08 | 5.88 | 6.06 |
| Other current assets | 6.92 | 18.25 | 4.33 | 7.06 |
| TOTAL CURRENT ASSETS | 53.37 | 62.77 | 50.69 | 60.22 |
| FIXED ASSETS | | | | |
| Real estate | 8.25 | 5.30 | 7.19 | 0.00 |
| Less: Accumulated depreciation | 1.38 | 0.46 | 2.10 | 0.00 |
| | 6.87 | 4.84 | 5.09 | 0.00 |
| Machinery and equipment | 66.80 | 59.10 | 69.87 | 73.32 |
| Less: Accumulated depreciation | 33.39 | 34.71 | 34.57 | 42.66 |
| | 33.41 | 24.39 | 35.30 | 30.66 |
| Other fixed assets | 7.03 | 5.09 | 5.30 | 5.78 |
| Less: Accumulated depreciation | 3.49 | 2.53 | 2.01 | 2.81 |
| | 3.54 | 2.56 | 3.29 | 2.97 |
| NET FIXED ASSETS | 43.82 | 31.79 | 43.68 | 33.63 |
| OTHER ASSETS | 2.81 | 5.44 | 5.63 | 6.15 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | | |
| CURRENT LIABILITIES | | | | |
| Notes payable | 10.95 | 0.00 | 12.30 | 0.00 |
| Accounts payable | 8.65 | 4.04 | 10.20 | 4.17 |
| Other current liabilities | 14.29 | 16.47 | 12.09 | 17.55 |
| TOTAL CURRENT LIABILITIES | 33.89 | 20.51 | 34.59 | 21.72 |
| LONG-TERM LIABILITIES | 32.76 | 19.59 | 44.74 | 25.74 |
| TOTAL LIABILITIES | 66.65 | 40.10 | 79.33 | 47.46 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 33.35 | 59.90 | 20.67 | 52.54 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | | |
|---|---|---|---|---|
| CURRENT RATIO | 1.57 | 3.06 | 1.47 | 2.77 |
| QUICK RATIO | 1.34 | 2.81 | 1.30 | 2.49 |
| TOTAL LIABILITIES TO EQUITY | 2.00 | 0.67 | 3.84 | 0.90 |
| LONG-TERM LIABILITIES TO EQUITY | 0.98 | 0.33 | 2.16 | 0.49 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.50 | 0.59 | 0.49 | 0.58 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$3,000,000** | SALES OVER $3,000,000** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| 6.85% | 1.04% | 2.04% |
| 33.34 | 24.33 | 33.38 |
| 6.52 | 11.16 | 14.49 |
| 8.67 | 7.17 | 6.42 |
| 55.38 | 43.70 | 56.33 |
| 8.90 | 0.00 | 11.55 |
| 0.77 | 0.00 | 2.38 |
| 8.13 | 0.00 | 9.17 |
| 64.69 | 90.53 | 57.86 |
| 32.58 | 39.76 | 31.06 |
| 32.11 | 50.77 | 26.80 |
| 4.75 | 18.78 | 11.05 |
| 2.31 | 13.26 | 5.03 |
| 2.44 | 5.52 | 6.02 |
| 42.68 | 56.29 | 41.99 |
| 1.94 | 0.01 | 1.68 |
| 100.00 | 100.00 | 100.00 |
| | | |
| 10.63 | 8.12 | 10.78 |
| 7.03 | 12.14 | 8.97 |
| 13.30 | 32.70 | 13.02 |
| 30.96 | 52.96 | 32.77 |
| 27.09 | 33.34 | 28.09 |
| 58.05 | 86.30 | 60.86 |
| 41.95 | 13.70 | 39.14 |
| 100.00 | 100.00 | 100.00 |
| | | |
| 1.79 | 0.83 | 1.72 |
| 1.58 | 0.61 | 1.28 |
| 1.38 | 6.30 | 1.55 |
| 0.65 | 2.43 | 0.72 |
| 0.50 | 0.44 | 0.54 |

SIGNIFICANT FACTS

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Average assets per employee - All employees | $ 17,853 | $ 32,658 | $ 13,772 | $ 11,747 |
| Average assets per factory employee (Excluding Executives) | 23,888 | 45,839 | 17,816 | 16,603 |
| Average net worth per employee - All employees | 6,720 | 24,177 | 2,067 | 6,167 |
| Average gross plant investment per factory employee (Excluding Executives) | 17,827 | 24,337 | 15,791 | 14,363 |
| Net worth percentage of fixed assets | 85.65% | 210.86% | 94.36% | 177.16% |
| EMPLOYEES | | | | |
| Percent factory - All employees | 80.74% | 73.20% | 81.34% | 73.79% |
| Percent administrative - All employees | 11.33 | 20.00 | 14.42 | 21.90 |
| Percent sales - All employees | 7.93 | 6.80 | 4.24 | 4.31 |
| SALES - VALUE OF PRODUCT PRODUCED | | | | |
| INCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | $ 33,811 | $ 29,041 | $ 31,704 | $ 25,534 |
| Sales per factory employee | 42,137 | 39,896 | 39,221 | 34,732 |
| Sales less material per factory employee | 37,336 | 37,239 | 31,983 | 31,373 |
| Sales per administrative employee | 349,284 | 160,164 | 283,533 | 121,239 |
| EXCLUDING EXECUTIVES | | | | |
| Sales per employee - All employees | 38,584 | 36,041 | 37,538 | 33,852 |
| Sales per factory employee | 45,043 | 40,751 | 40,714 | 35,873 |
| Sales less material per factory employee | 39,925 | 38,044 | 33,104 | 32,447 |
| SALES PER SALESMAN | 435,237 | 100,000 | 100,000 | 100,000 |
| SALES TO CURRENT ASSETS | 592% | 308% | 677% | 391% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | | |
| INCLUDING EXECUTIVES | | | | |
| Total payroll percentage of sales | 59.03% | 58.51% | 52.51% | 56.65% |
| Factory payroll percentage of gross plant investment | 134.63 | 121.30 | 169.86 | 146.60 |
| Payroll per employee - All employees | $ 19,895 | $ 17,145 | $ 16,509 | $ 14,410 |
| Payroll per factory employee | 18,124 | 16,794 | 15,761 | 14,181 |
| Payroll per administrative employee | 27,719 | 17,877 | 18,724 | 14,641 |
| Payroll per sales employee | 31,076 | 12,678 | 14,349 | 8,006 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | | |
| EXCLUDING EXECUTIVES | | | | |
| Payroll per employee - All employees | $ 15,699 | $ 14,422 | $ 13,800 | $ 12,406 |
| Payroll per factory employee | 15,123 | 14,603 | 13,880 | 12,608 |
| Payroll per administrative employee | 12,657 | 7,724 | 5,767 | 5,952 |
| Payroll per sales employee | 22,721 | 5,898 | 8,129 | 0 |
| EXECUTIVE PAYROLL | | | | |
| Payroll per executive - All executives | 31,719 | 18,780 | 23,713 | 13,666 |
| Payroll per factory executive | 18,175 | 3,189 | 12,812 | 4,252 |
| Payroll per administrative executive | 40,048 | 18,868 | 22,484 | 13,782 |
| Payroll per sales executive | 20,996 | 4,865 | 11,937 | 6,487 |
| RECEIVABLES | | | | |
| Collection period | 55.7 | 74.3 | 56.7 | 70.8 |
| PROFIT | | | | |
| Gross profit percentage of sales | 28.18% | 35.64% | 24.81% | 35.13% |
| Average gross profit per factory employee | $ 12,946 | $ 14,662 | $ 9,911 | $ 12,682 |
| Income before taxes percentage of sales | 2.65% | 10.65% | 2.42% | 10.41% |
| Average income before taxes per employee | $ 865 | $ 3,121 | $ 436 | $ 2,663 |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$3,000,000** | SALES OVER $3,000,000** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| $ 21,030 | $ 11,184 | $ 18,788 |
| 28,831 | 16,766 | 23,603 |
| 10,658 | 881 | 6,263 |
| 19,153 | 16,961 | 17,981 |
| 86.38% | 15.65% | 97.81% |
| 79.38% | 78.74% | 84.15% |
| 10.57 | 9.42 | 9.11 |
| 10.05 | 11.84 | 6.74 |
| $ 33,785 | $ 35,522 | $ 36,565 |
| 42,893 | 45,245 | 43,595 |
| 39,138 | 42,294 | 39,233 |
| 344,933 | 442,221 | 428,624 |
| 38,515 | 41,408 | 39,307 |
| 45,872 | 53,739 | 46,334 |
| 41,835 | 50,307 | 41,722 |
| 254,484 | 383,767 | 815,910 |
| 481% | 1,447% | 401% |
| 60.11% | 66.97% | 63.49% |
| 107.03 | 166.98 | 137.07 |
| $ 20,163 | $ 23,656 | $ 23,111 |
| 17,881 | 25,175 | 20,515 |
| 34,275 | 20,562 | 27,925 |
| 28,847 | 32,338 | 63,131 |
| $ 15,685 | $ 18,667 | $ 17,583 |
| 15,032 | 18,305 | 16,075 |
| 16,514 | 12,045 | 13,898 |
| 18,786 | 26,888 | 54,633 |
| 32,204 | 26,136 | 45,504 |
| 18,749 | 25,557 | 22,308 |
| 40,972 | 40,210 | 65,686 |
| 17,405 | 0 | 53,226 |
| 56.9 | 35.9 | 59.0 |
| 30.57% | 29.08% | 27.01% |
| $ 14,374 | $ 15,684 | $ 12,994 |
| 3.51% | 2.66% | 0.78% |
| $ 1,322 | $ 964 | $ 321 |

## RETURN ON INVESTMENT - PER $100 OF SALES

| | ALL FIRMS REPORTING | | SALES TO $500,000 | |
|---|---|---|---|---|
| | ALL FIRMS | PROFIT LEADERS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | | |
| Current Assets: | | | | |
| Cash | $ 3.01 | $ 5.79 | $ 2.01 | $ 1.89 |
| Receivables | 14.96 | 19.58 | 15.23 | 18.66 |
| Inventories | 3.90 | 3.20 | 2.27 | 2.57 |
| Marketable securities | 4.55 | 30.37 | 0.43 | 1.14 |
| Other current assets | 2.24 | 2.93 | 1.41 | 1.63 |
| | 28.66 | 61.87 | 21.35 | 25.89 |
| Plant Investment: | | | | |
| Land and building | 6.43 | 12.78 | 3.22 | 0.00 |
| Machinery and equipment | 29.54 | 36.18 | 31.20 | 35.06 |
| Other fixed assets | 3.31 | 3.98 | 2.47 | 2.88 |
| | 39.28 | 52.94 | 36.89 | 37.94 |
| Non-Current Assets | 1.46 | 4.16 | 2.26 | 2.90 |
| TOTAL INVESTMENT | 69.40 | 118.97 | 60.50 | 66.73 |
| INVESTMENT TURNOVER PER $100 OF SALES | 144.09% | 84.05% | 165.29% | 149.86% |
| EARNINGS | | | | |
| Cost of Product | $71.82 | $64.36 | $75.19 | $64.87 |
| Selling Expenses | 9.71 | 6.11 | 5.65 | 3.87 |
| Administrative Expenses | 14.03 | 18.04 | 15.56 | 19.48 |
| | 95.56 | 88.51 | 96.40 | 88.22 |
| Income Before Interest, Other Income (Expense), and Taxes | 4.44 | 11.49 | 3.60 | 11.78 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | 6.40% | 9.66% | 5.95% | 17.65% |

** Sample insufficient for Profit Leaders.

| SALES FROM $500,000-$1,500,000** | SALES FROM $1,500,000-$3,000,000** | SALES OVER $3,000,000** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| $ 4.85 | $ 0.40 | $ 0.86 |
| 15.24 | 9.40 | 16.06 |
| 4.16 | 2.86 | 6.27 |
| 9.54 | 0.00 | 0.00 |
| 1.97 | 2.73 | 4.09 |
| 35.76 | 15.39 | 27.28 |
| 9.49 | 0.00 | 6.16 |
| 30.34 | 25.88 | 26.24 |
| 2.50 | 5.45 | 5.90 |
| 42.33 | 31.33 | 38.30 |
| 1.39 | 0.00 | 0.92 |
| 79.48 | 46.72 | 66.50 |
| 125.82% | 214.04% | 150.38% |
| $69.43 | $70.92 | $72.99 |
| 11.29 | 13.61 | 10.55 |
| 14.39 | 10.74 | 11.95 |
| 95.11 | 95.27 | 95.49 |
| 4.89 | 4.73 | 4.51 |
| 6.15% | 10.12% | 6.78% |

REPORT ON OPERATIONS - SALES = 100%

| | PRINTERS AND LITHOGRAPHERS** | ADVERTISING AGENCIES | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| SALES OR VALUE OF PRODUCT PRODUCED | 100.00% | 100.00% | 100.00% |
| FACTORY COST OF PRODUCT | | | |
| MATERIAL | | | |
| Paper | 5.56 | 1.47 | 5.87 |
| Other chargeable materials | 2.00 | 6.69 | 0.17 |
| Outside services | 7.31 | 3.04 | 0.33 |
| TOTAL MATERIAL | 14.87 | 11.20 | 6.37 |
| FACTORY PAYROLL | 50.96 | 42.37 | 39.72 |
| FACTORY EXPENSES | 16.24 | 16.90 | 14.34 |
| TOTAL FACTORY COST OF PRODUCT | 82.07 | 70.47 | 60.43 |
| GROSS PROFIT | 17.93 | 29.53 | 39.57 |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Administrative expenses | 11.19 | 14.74 | 20.33 |
| Selling expenses | 8.91 | 8.30 | 7.81 |
| TOTAL ADMINISTRATIVE AND SELLING EXPENSES | 20.10 | 23.04 | 28.14 |
| INCOME BEFORE INTEREST EXPENSE | (2.17) | 6.49 | 11.43 |
| Interest expense | 1.36 | 2.27 | 0.00 |
| OPERATING INCOME (LOSS) | (3.53) | 4.22 | 11.43 |
| Other income (expense) | 0.94 | 0.32 | 0.36 |
| INCOME (LOSS) BEFORE INCOME TAXES | (2.59) | 4.54 | 11.79 |

SUPPORTING SCHEDULES - SALES = 100%

| | PRINTERS AND LITHOGRAPHERS** ALL FIRMS | ADVERTISING AGENCIES ALL FIRMS | ADVERTISING AGENCIES PROFIT LEADERS |
|---|---|---|---|
| OTHER CHARGEABLE MATERIALS | | | |
| Ink | 0.00% | 0.00% | |
| Film | 2.00 | 5.32 | |
| Plates | 0.00 | 0.00 | |
| Other chargeable materials | 0.00 | 1.37 | |
| TOTAL OTHER CHARGEABLE MATERIALS | 2.00 | 6.69 | *** |
| OUTSIDE SERVICES | | | |
| Composition | 2.99 | 0.35 | |
| Offset preparation | 0.00 | 1.20 | |
| Printing | 0.00 | 0.86 | |
| Binding | 0.00 | 0.00 | |
| Other outside services | 4.32 | 0.63 | |
| TOTAL OUTSIDE SERVICES | 7.31 | 3.04 | *** |

** Sample insufficient for Profit Leaders.
*** Information not submitted.

| PUBLISHERS** | BOOKS** | DIRECT BUYERS** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| 100.00% | 100.00% | 100.00% |
| 4.78 | 0.00 | 2.07 |
| 1.52 | 5.59 | 2.44 |
| 3.61 | 1.02 | 5.01 |
| 9.91 | 6.61 | 9.52 |
| 38.54 | 43.84 | 45.76 |
| 18.49 | 17.91 | 15.47 |
| 66.94 | 68.36 | 70.75 |
| 33.06 | 31.64 | 29.25 |
| 13.22 | 17.86 | 11.40 |
| 7.40 | 9.98 | 12.38 |
| 20.62 | 27.84 | 23.78 |
| 12.44 | 3.80 | 5.47 |
| 3.58 | 1.86 | 3.25 |
| 8.86 | 1.94 | 2.22 |
| (1.91) | 0.47 | 0.13 |
| 6.95 | 2.41 | 2.35 |

|  |  |  |
|---|---|---|
| 0.16% | 0.00% | 0.00% |
| 1.13 | 5.06 | 1.54 |
| 0.23 | 0.00 | 0.00 |
| 0.00 | 0.53 | 0.90 |
| 1.52 | 5.59 | 2.44 |
| 0.58 | 0.00 | 1.65 |
| 0.00 | 0.00 | 0.12 |
| 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 0.00 |
| 3.03 | 1.02 | 3.24 |
| 3.61 | 1.02 | 5.01 |

SUPPORTING SCHEDULES - SALES = 100%

| | PRINTERS AND LITHOGRAPHERS** | ADVERTISING AGENCIES | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| FACTORY PAYROLL | | | |
| Salaries - executive | 6.22% | 1.97% | 0.00% |
| Direct wages | 34.16 | 32.32 | 27.53 |
| General factory salaries and wages | 1.31 | 2.57 | 5.91 |
| Packing, shipping and delivery wages | 0.26 | 0.84 | 0.74 |
| Payroll taxes | 3.34 | 2.17 | 1.49 |
| Employee benefits | 5.67 | 2.50 | 4.05 |
| TOTAL FACTORY PAYROLL | 50.96 | 42.37 | 39.72 |
| FACTORY EXPENSES | | | |
| Fixed Expenses | | | |
| Depreciation - real estate | 1.95 | 0.13 | 0.42 |
| Depreciation - other | 2.46 | 4.69 | 3.39 |
| Taxes - real estate | 0.16 | 0.24 | 0.36 |
| Taxes - other | 0.15 | 0.24 | 0.03 |
| Insurance | 1.31 | 0.74 | 0.64 |
| Building rent | 1.51 | 2.40 | 2.28 |
| Utilities - heat, light, etc. | 0.90 | 0.88 | 0.29 |
| Equipment rental | 1.33 | 1.12 | 0.88 |
| Total Fixed Expenses | 9.77 | 10.44 | 8.29 |
| Other Expenses | | | |
| Factory supplies and expense | 3.34 | 2.02 | 3.53 |
| Packing, shipping and delivery expense | 0.96 | 1.78 | 1.04 |
| Repairs and maintenance | 1.30 | 1.55 | 1.48 |
| Other factory expenses | 0.87 | 1.11 | 0.00 |
| Total Other Expenses | 6.47 | 6.46 | 6.05 |
| TOTAL FACTORY EXPENSES | 16.24 | 16.90 | 14.34 |
| ADMINISTRATIVE EXPENSES | | | |
| Salaries - executive | 3.00 | 5.41 | 13.55 |
| Salaries - office | 2.11 | 2.44 | 1.18 |
| Payroll taxes | 0.33 | 0.43 | 0.31 |
| Employee benefits | 0.57 | 0.41 | 0.42 |
| Bad debts | 0.50 | 0.45 | 0.76 |
| Office supplies and expenses | 0.57 | 1.26 | 2.15 |
| Professional fees | 0.86 | 0.58 | 0.40 |
| Taxes - business | 0.07 | 0.29 | 0.27 |
| Telephone | 0.70 | 0.57 | 0.73 |
| Other administrative expenses | 2.48 | 2.90 | 0.56 |
| TOTAL ADMINISTRATIVE EXPENSES | 11.19 | 14.74 | 20.33 |
| SELLING EXPENSES | | | |
| Salaries - executive | 1.22 | 0.67 | 0.00 |
| Salaries and commissions - salesmen | 1.89 | 3.62 | 3.71 |
| Salaries - sales office clerical | 2.24 | 0.14 | 0.55 |
| Payroll taxes | 0.29 | 0.26 | 0.24 |
| Employee benefits | 0.88 | 0.15 | 0.32 |
| Advertising | 0.34 | 1.19 | 1.15 |
| Travel and entertainment | 0.94 | 1.45 | 1.84 |
| Other selling expenses | 1.11 | 0.82 | 0.00 |
| TOTAL SELLING EXPENSES | 8.91 | 8.30 | 7.81 |

** Sample insufficient for Profit Leaders.

| PUBLISHERS** | BOOKS** | DIRECT BUYERS** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| 2.81% | 4.84% | 6.83% |
| 29.98 | 31.84 | 29.07 |
| 0.23 | 1.85 | 3.08 |
| 0.00 | 0.34 | 1.10 |
| 2.94 | 3.45 | 2.39 |
| 2.58 | 1.52 | 3.29 |
| 38.54 | 43.84 | 45.76 |
| 0.07 | 0.00 | 0.00 |
| 7.76 | 4.87 | 3.75 |
| 0.19 | 0.00 | 0.00 |
| 0.41 | 0.15 | 0.15 |
| 0.78 | 0.59 | 0.05 |
| 1.37 | 1.59 | 1.40 |
| 0.78 | 1.24 | 0.55 |
| 0.61 | 1.94 | 1.50 |
| 11.97 | 10.38 | 7.40 |
| 3.37 | 2.25 | 3.64 |
| 0.73 | 1.41 | 2.75 |
| 2.12 | 1.99 | 1.63 |
| 0.30 | 1.88 | 0.05 |
| 6.52 | 7.53 | 8.07 |
| 18.49 | 17.91 | 15.47 |
| 4.63 | 7.99 | 3.18 |
| 1.73 | 3.28 | 2.95 |
| 0.49 | 1.90 | 0.31 |
| 1.08 | 0.23 | 0.44 |
| 0.49 | 0.01 | 0.37 |
| 0.77 | 0.82 | 0.79 |
| 1.80 | 1.08 | 0.87 |
| 0.05 | 0.00 | 0.16 |
| 0.86 | 0.87 | 0.72 |
| 1.32 | 1.68 | 1.61 |
| 13.22 | 17.86 | 11.40 |
| 2.59 | 0.32 | 1.36 |
| 1.55 | 4.38 | 7.34 |
| 0.00 | 1.25 | 0.00 |
| 0.25 | 0.33 | 0.38 |
| 0.59 | 0.15 | 0.51 |
| 0.17 | 0.71 | 0.74 |
| 2.25 | 2.13 | 1.98 |
| 0.00 | 0.71 | 0.07 |
| 7.40 | 9.98 | 12.38 |

## BALANCE SHEET

| | PRINTERS AND LITHOGRAPHERS** | ADVERTISING AGENCIES | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash | 3.85% | 6.23% | 2.79% |
| Receivables | 22.85 | 30.37 | 30.62 |
| Inventories | 12.46 | 7.34 | 10.15 |
| Other current assets | 2.53 | 9.86 | 27.16 |
| TOTAL CURRENT ASSETS | 41.69 | 53.80 | 70.72 |
| FIXED ASSETS | | | |
| Real estate | 20.38 | 6.22 | 10.60 |
| Less: Accumulated depreciation | 4.64 | 1.05 | 0.91 |
| | 15.74 | 5.17 | 9.69 |
| Machinery and equipment | 76.28 | 69.12 | 45.17 |
| Less: Accumulated depreciation | 37.77 | 32.08 | 29.20 |
| | 38.51 | 37.04 | 15.97 |
| Other fixed assets | 7.90 | 6.32 | 4.64 |
| Less: Accumulated depreciation | 5.52 | 3.03 | 2.80 |
| | 2.38 | 3.29 | 1.84 |
| NET FIXED ASSETS | 56.63 | 45.50 | 27.50 |
| OTHER ASSETS | 1.68 | 0.70 | 1.78 |
| TOTAL ASSETS | 100.00 | 100.00 | 100.00 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Notes payable | 15.72 | 12.08 | 0.00 |
| Accounts payable | 11.61 | 4.23 | 4.87 |
| Other current liabilities | 16.19 | 10.63 | 12.16 |
| TOTAL CURRENT LIABILITIES | 43.52 | 26.94 | 17.03 |
| LONG-TERM LIABILITIES | 35.14 | 34.22 | 0.58 |
| TOTAL LIABILITIES | 78.66 | 61.16 | 17.61 |
| SHAREHOLDERS' AND PROPRIETORS' EQUITY | 21.34 | 38.84 | 82.39 |
| TOTAL LIABILITIES AND EQUITY | 100.00 | 100.00 | 100.00 |

## BALANCE SHEET RATIOS

| | | | |
|---|---|---|---|
| CURRENT RATIO | 0.96 | 2.00 | 4.15 |
| QUICK RATIO | 0.67 | 1.72 | 3.56 |
| TOTAL LIABILITIES TO EQUITY | 3.69 | 1.57 | 0.21 |
| LONG-TERM LIABILITIES TO EQUITY | 1.65 | 0.88 | 0.01 |
| ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT | 0.50 | 0.46 | 0.65 |

** Sample insufficient for Profit Leaders.

| PUBLISHERS** | BOOKS** | DIRECT BUYERS** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| 3.42% | 3.29% | 1.23% |
| 29.75 | 35.06 | 37.80 |
| 2.25 | 16.70 | 8.38 |
| 8.44 | 6.62 | 5.75 |
| 43.86 | 61.67 | 53.16 |
| 6.83 | 0.00 | 0.00 |
| 0.09 | 0.00 | 0.00 |
| 6.74 | 0.00 | 0.00 |
| 65.87 | 75.33 | 80.38 |
| 30.48 | 44.41 | 37.75 |
| 35.39 | 30.92 | 42.63 |
| 11.10 | 11.26 | 4.73 |
| 3.13 | 5.14 | 3.17 |
| 7.97 | 6.12 | 1.56 |
| 50.10 | 37.04 | 44.19 |
| 6.04 | 1.29 | 2.65 |
| 100.00 | 100.00 | 100.00 |
| | | |
| 9.08 | 9.18 | 16.20 |
| 3.91 | 10.09 | 12.64 |
| 21.39 | 19.64 | 19.78 |
| 34.38 | 38.91 | 48.62 |
| 36.37 | 29.25 | 30.25 |
| 70.75 | 68.16 | 78.87 |
| 29.25 | 31.84 | 21.13 |
| 100.00 | 100.00 | 100.00 |
| | | |
| 1.28 | 1.58 | 1.09 |
| 1.21 | 1.16 | 0.92 |
| 2.42 | 2.14 | 3.73 |
| 1.24 | 0.92 | 1.43 |
| 0.46 | 0.59 | 0.47 |

## SIGNIFICANT FACTS

| | PRINTERS AND LITHOGRAPHERS** | ADVERTISING AGENCIES | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | |
| Average assets per employee - All employees | $ 10,577 | $ 26,223 | $ 53,814 |
| Average assets per factory employee (Excluding Executives) | 14,205 | 34,433 | 75,469 |
| Average net worth per employee - All employees | 971 | 14,091 | 44,169 |
| Average gross plant investment per factory employee (Excluding Executives) | 14,074 | 22,683 | 34,101 |
| Net worth percentage of fixed assets | 45.01% | 115.52% | 300.13% |
| EMPLOYEES | | | |
| Percent factory - All employees | 83.33% | 83.06% | 70.90% |
| Percent administrative - All employees | 7.87 | 13.23 | 21.96 |
| Percent sales - All employees | 8.80 | 3.71 | 7.14 |
| SALES - VALUE OF PRODUCT PRODUCED | | | |
| INCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | $ 30,482 | $ 35,516 | $ 34,235 |
| Sales per factory employee | 36,674 | 43,497 | 48,233 |
| Sales less material per factory employee | 31,015 | 39,211 | 45,544 |
| Sales per administrative employee | 416,359 | 313,437 | 187,251 |
| EXCLUDING EXECUTIVES | | | |
| Sales per employee - All employees | 35,139 | 39,794 | 41,842 |
| Sales per factory employee | 41,199 | 44,516 | 48,233 |
| Sales less material per factory employee | 34,976 | 40,120 | 45,544 |
| SALES PER SALESMAN | 641,570 | 285,000 | 100,000 |
| SALES TO CURRENT ASSETS | 996% | 587% | 196% |
| PAYROLL - INCLUDING TAXES AND BENEFITS | | | |
| INCLUDING EXECUTIVES | | | |
| Total payroll percentage of sales | 63.49% | 55.90% | 59.99% |
| Factory payroll percentage of gross plant investment | 156.05 | 130.06 | 74.20 |
| Payroll per employee - All employees | $ 19,429 | $ 19,983 | $ 20,755 |
| Payroll per factory employee | 18,674 | 18,468 | 19,499 |
| Payroll per administrative employee | 24,046 | 21,627 | 24,008 |
| Payroll per sales employee | 19,879 | 39,622 | 13,347 |
| PAYROLL - EXCLUDING TAXES AND BENEFITS | | | |
| EXCLUDING EXECUTIVES | | | |
| Payroll per employee - All employees | $ 14,637 | $ 16,889 | $ 16,641 |
| Payroll per factory employee | 14,516 | 16,143 | 16,700 |
| Payroll per administrative employee | 12,166 | 9,197 | 6,521 |
| Payroll per sales employee | 15,321 | 30,716 | 11,796 |
| EXECUTIVE PAYROLL | | | |
| Payroll per executive - All executives | 25,726 | 31,711 | 27,277 |
| Payroll per factory executive | 24,565 | 8,055 | 0 |
| Payroll per administrative executive | 42,609 | 28,591 | 27,277 |
| Payroll per sales executive | 25,696 | 6,217 | 0 |
| RECEIVABLES | | | |
| Collection period | 32.4 | 64.9 | 84.8 |
| PROFIT | | | |
| Gross profit percentage of sales | 17.93% | 29.53% | 39.57% |
| Average gross profit per factory employee | $ 7,214 | $ 13,610 | $ 18,915 |
| Income(loss) before taxes percentage of sales | (2.59)% | 4.54% | 11.79% |
| Average income (loss) before taxes per employee | $ (980) | $ 1,509 | $ 4,015 |

** Sample insufficient for Profit Leaders.

| PUBLISHERS** | BOOKS** | DIRECT BUYERS** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| $ 25,211 | $ 14,647 | $ 14,580 |
| 32,851 | 18,428 | 21,477 |
| 6,865 | 4,834 | 2,368 |
| 25,451 | 15,938 | 18,897 |
| 58.67% | 87.28% | 47.60% |
| 79.82% | 86.07% | 77.77% |
| 14.44 | 6.78 | 10.22 |
| 5.74 | 7.15 | 12.01 |
| $ 33,316 | $ 35,737 | $ 36,351 |
| 41,455 | 41,516 | 46,510 |
| 37,108 | 38,753 | 42,218 |
| 249,556 | 526,327 | 403,389 |
| 39,446 | 39,425 | 42,468 |
| 44,011 | 44,977 | 53,295 |
| 39,445 | 41,983 | 48,347 |
| 850,000 | 282,500 | 270,833 |
| 328% | 401% | 489% |
| 51.46% | 63.67% | 62.23% |
| 65.93 | 121.29 | 149.43 |
| $ 16,920 | $ 22,750 | $ 22,529 |
| 15,727 | 17,902 | 21,280 |
| 19,255 | 73,509 | 25,622 |
| 33,262 | 32,387 | 30,322 |
| $ 13,147 | $ 16,685 | $ 18,487 |
| 13,073 | 14,974 | 17,794 |
| 8,839 | 31,695 | 17,499 |
| 15,944 | 29,320 | 25,547 |
| 34,338 | 50,221 | 28,909 |
| 23,378 | 26,394 | 24,909 |
| 40,650 | 104,065 | 35,734 |
| 55,348 | 27,821 | 21,170 |
| 80.2 | 52.2 | 56.5 |
| 33.06% | 31.64% | 29.25% |
| $ 14,744 | $ 14,688 | $ 15,758 |
| 6.95% | 2.41% | 2.35% |
| $ 2,229 | $ 901 | $ 1,019 |

RETURN ON INVESTMENT - PER $100 OF SALES

| | PRINTERS AND LITHOGRAPHERS** | ADVERTISING AGENCIES | |
|---|---|---|---|
| | ALL FIRMS | ALL FIRMS | PROFIT LEADERS |
| INVESTMENT | | | |
| Current Assets: | | | |
| Cash | $ 1.21 | $ 4.10 | $ 8.39 |
| Receivables | 8.72 | 17.37 | 22.15 |
| Inventories | 4.32 | 3.66 | 6.41 |
| Marketable securities | 0.00 | 14.76 | 59.06 |
| Other current assets | 0.90 | 2.48 | 3.94 |
| | 15.15 | 42.37 | 99.95 |
| Plant Investment: | | | |
| Land and building | 7.76 | 8.11 | 25.56 |
| Machinery and equipment | 24.18 | 35.67 | 35.43 |
| Other fixed assets | 2.51 | 3.75 | 4.96 |
| | 34.45 | 47.53 | 65.95 |
| Non-Current Assets | 0.75 | 1.14 | 4.02 |
| TOTAL INVESTMENT | 50.35 | 91.04 | 169.92 |
| INVESTMENT TURNOVER PER $100 OF SALES | 198.61% | 109.84% | 58.85% |
| EARNINGS | | | |
| Cost of Product | $82.07 | $70.47 | $60.43 |
| Selling Expenses | 8.91 | 8.30 | 7.81 |
| Administrative Expenses | 11.19 | 14.74 | 20.33 |
| | 102.17 | 93.51 | 88.57 |
| Income (Loss), Before Interest, Other Income (Expense), and Taxes | (2.17) | 6.49 | 11.43 |
| RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME | (4.31)% | 7.13% | 6.73% |

** Sample insufficient for Profit Leaders.

| PUBLISHERS** | BOOKS** | DIRECT BUYERS** |
|---|---|---|
| ALL FIRMS | ALL FIRMS | ALL FIRMS |
| $ 2.12 | $ 1.23 | $ 0.48 |
| 21.45 | 14.13 | 15.09 |
| 1.96 | 7.82 | 3.54 |
| 0.00 | 0.96 | 0.00 |
| 6.83 | 1.53 | 2.21 |
| 32.36 | 25.67 | 21.32 |
| 5.93 | 0.00 | 0.00 |
| 43.94 | 30.72 | 33.48 |
| 8.42 | 5.18 | 1.86 |
| 58.29 | 35.90 | 35.34 |
| 3.93 | 0.57 | 1.24 |
| 94.58 | 62.14 | 57.90 |
| 105.73% | 160.93% | 172.71% |
| $66.94 | $68.36 | $70.75 |
| 7.40 | 9.98 | 12.38 |
| 13.22 | 17.86 | 11.40 |
| 87.56 | 96.20 | 94.53 |
| 12.44 | 3.80 | 5.47 |
| 13.15% | 6.12% | 9.45% |

ABSOLUTE DATA TYPOGRAPHERS

| | NUMBER OF PARTICIPATING FIRMS | AVERAGE FIRM REPORTING** | | |
|---|---|---|---|---|
| | | TOTAL ASSETS | SALES OR VALUE OF PRODUCTION | TOTAL INCOME (LOSS) |
| TOTAL - ALL FIRMS | 28 | $ 926,000 | $1,880,000 | $ 25,000 |
| TOTAL - PROFIT LEADERS* | 4 | 753,000 | 467,000 | 52,000 |
| BY SIZE OF FIRM | | | | |
| ALL FIRMS | | | | |
| 0-$500,000 | 8 | 123,000 | 312,000 | 5,000 |
| $500,000-$1,500,000 | 13 | 647,000 | 944,000 | 31,000 |
| $1,500,000-$3,000,000 | 2 | 668,000 | 2,359,000 | 61,000 |
| Over $3,000,000 | 5 | 3,041,000 | 6,631,000 | 30,000 |
| PROFIT LEADERS | | | | |
| 0-$500,000 | 3 | 114,000 | 253,000 | 27,000 |
| BY MARKET | | | | |
| ALL FIRMS | | | | |
| Printers and Lithographers | 6 | 1,112,000 | 3,429,000 | (27,000) |
| Advertising Agencies | 8 | 783,000 | 1,092,000 | 28,000 |
| Publishers | 2 | 1,848,000 | 2,160,000 | 123,000 |
| Books | 2 | 2,319,000 | 4,963,000 | 71,000 |
| Direct Buyers | 4 | 432,000 | 1,082,000 | 31,000 |
| PROFIT LEADERS | | | | |
| Advertising Agencies | 2 | 1,418,000 | 749,000 | 87,000 |

## HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

| Firm | Sales | Factory Payroll | % of Sales | |
|---|---|---|---|---|
| | | | Firm's Ratio Factory Payroll | PIA Ratio Factory Payroll |
| A | $ 200,000 | $ 60,000 | 30.0% | |
| B | 500,000 | 100,000 | 20.0 | |
| C | 8,000,000 | 975,000 | 12.2 | |

62.2% divided by 3 = 20.7%

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* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.